



LYNX Finance & Audit Committee

A G E N D A

September 18, 2014

9:00AM

LYNX Central Station

Second Floor Room #215

- Introduction
- Amendment of Administrative Rule 2
- Election of Officers
- Discussion on Healthcare Costs, Recommendations, and Future Plans
- Compressed Natural Gas (CNG) Project
- Other Business
- Next Meeting
- Adjournment

LYNX Finance & Audit Committee Agenda

Agenda Item #1

To: LYNX Finance & Audit Committee Members

From: Blanche W. Sherman, Director of Finance

Phone: 407.841.2279 extension 6100

Item Name: Amendment of Administrative Rule 2

Date: 09/18/14

LYNX staff will be requesting the Board of Directors' adoption of Amendment to Administrative Rule 2, Board Governance (By-Laws), re-designating the Audit and Oversight Committee as the Oversight Committee and delegating the authority of certain actions on behalf of the Board of Directors to the Oversight Committee, and establishing the Finance and Audit Committee and the Risk Management Committee. A draft of the revised Administrative Rule 2 in clean form is attached.

The amendment was drafted in response to input received from LYNX staff and from and certain of LYNX's funding partners. The amendment is intended to enable LYNX to operate more efficiently and to give LYNX' funding partners greater participation in financial and risk management matters. The amendment seeks to achieve these objectives by:

- Recreating the Oversight and Audit Committee as the Oversight Committee and delegating to the Oversight Committee the authority to undertake certain actions on behalf of the Governing Board and the authority to oversee the actions of the newly established Finance and Audit and Risk Management Committees. The membership of the Oversight Committee would be comprised of the members of the Governing Board; however, such members may appoint staff designees. The foregoing notwithstanding, all meetings of the Oversight Committee would be chaired by a member of the Governing Board.
- Establishing a Finance and Audit Committee which will make recommendations to the Governing Board, the Oversight Committee and LYNX staff with respect to financial policies, goals and budgets that support the mission, values and strategic goals of LYNX. The Finance and Audit Committee would also oversee the annual audit of LYNX' financial statements. The membership of the Finance and Audit Committee would be comprised of a staff member from each of the funding partners with expertise in financial matters. LYNX' Director of Finance/Chief Financial Officer would not be a member of the committee but would provide it with support.
- Establish a Risk Management Committee which will review and provide recommendations to LYNX with respect to LYNX' safety, insurance and risk management programs and to make recommendations to the Oversight Committee with respect to settlements. The membership of the Risk Management Committee would be

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comprised of a staff member from each of the funding partners with expertise in risk management matters. The LYNX Director of Risk Management would not be a member of the committee but would provide it with support.

ADMINISTRATIVE RULE 2 (AMENDMENT)

SUBJECT: ESTABLISHMENT OF COMMITTEES

EFFECTIVE DATE:

SCOPE: The purpose of this amendment is to recreate the Oversight and Audit Committee as the Oversight Committee and to establish a Finance and Audit Committee and a Risk Management Committee.

AUTHORITY:

Authority for the establishment of this amendment to Administrative Rule 2 is as follows:

Part II, Chapter 343, Florida Statutes

AMENDMENT:

Section 2.12 of Administrative Rule 2 is hereby deleted in its entirety and the following is inserted in lieu thereof:

2.12 **Authorization to Establish Committees.** The Governing Board, by resolution adopted by a Majority of the Members, may create one or more committees which may exercise such powers as shall be conferred or authorized by the resolution creating said committee or committees. The composition of any committee, the removal of committee members, and the filling of vacancies shall be determined by the Governing Board. No committee may exercise any authority which is required by applicable law to be exercised solely by the Governing Board.

2.12.1 **Establishment of Oversight Committee; Purpose.** A committee is hereby established to be known as the Oversight Committee. The Oversight Committee's primary functions are (i) to serve as a workshop to review and discuss matters prior to the Governing Board taking official action on such matters and (ii) to oversee the Finance and Audit Committee and the Risk Management Committee. The Oversight Committee is provided specific authority to make recommendations to the Director of Finance/Chief Financial Officer, the Chief Executive Officer and the Governing Board with respect to matters that come before it.

A. **Composition.** The Oversight Committee shall be comprised of five members (each an "**Oversight Committee Member**"). The Members of the Governing Board shall comprise the membership of the Oversight Committee; *provided, however*, that any Oversight Committee Member may designate an employee of the governmental entity that such member represents to attend any meeting of the Oversight Committee and exercise all of the powers of the Oversight Committee Member in such member's absence. The duration of any designation shall be for such period of time

as is determined by the Oversight Committee member making the designation.

- B. **Meeting Schedule and Notice.** The Oversight Committee shall annually establish a schedule for meetings; provided, that the chairperson may cancel or reschedule any previously scheduled meeting or call a special meeting. The Oversight Committee shall meet at the offices of the Authority, or at such other location within the jurisdiction serviced by the Authority. All meetings of the Oversight Committee except as may otherwise be provided herein below and in accordance with applicable law shall be duly scheduled, subject to public notice and open to the public, to the extent required by, and in accordance with, Florida law.
- C. **Quorum.** The presence in person of a majority of the Oversight Committee Members shall constitute a quorum for the transaction of business.
- D. **Committee Action.** If a quorum is present, the affirmative vote of a majority of the Oversight Committee Members shall constitute an act of the Oversight Committee.
- E. **Officers.** The Oversight Committee shall annually elect from its members a chairperson and vice chairperson and such other officers as determined by the Oversight Committee. The chairperson, and in his or her absence the vice chairperson, shall preside over all meetings of the Oversight Committee. In the absence of a chairperson or vice chairperson, the Oversight Committee members shall elect a replacement chairperson for such meeting.
- F. **Responsibilities.** The Oversight Committee shall carry out such responsibilities as are assigned to it by the Governing Board and take such actions as it deems appropriate within the scope of its responsibilities assigned hereunder. In furtherance thereof the Oversight Committee shall:
 - 1. **General.**
 - a. Review and make recommendations to LYNX staff and the Governing Board as to the agenda for upcoming meetings of the Governing Board.
 - b. Serve as a workshop to discuss and make recommendations to the Governing Board on matters being considered or to be considered by the Governing Board as the Oversight Committee may deem appropriate.
 - c. Receive reports from the Finance and Audit Committee and Risk Management Committee and provide recommendations and guidance.

- d. Review the Chief Executive Officer's Report to the Governing Board and make recommendations to the Chief Executive Officer regarding the same.

2.12.2 **Establishment of Finance and Audit Committee; Purpose.** A committee is hereby established to be known as the Finance and Audit Committee. The Finance and Audit Committee is responsible for recommending to the Governing Board, the Oversight Committee and Authority Staff financial policies, goals and budgets that support the mission, values and strategic goals of the Authority, and for overseeing the annual audit of the Authority's financial statements.

- A. **Composition.** The Finance and Audit Committee shall be comprised of five members (each an "**Finance and Audit Committee Member**"). Each Member of the Governing Board shall be entitled to designate one Finance and Audit Committee Member from among the employees of the governmental entity that he or she represents. Each Finance and Audit Committee Member should have expertise in financial matters. The Director of Finance/Chief Financial Officer of the Authority will not be a member of the Finance and Audit Committee but will support the committee.
- B. **Meeting Schedule and Notice.** The Finance and Audit Committee shall annually establish a schedule for meetings; provided, that the chairperson may cancel or reschedule any previously scheduled meeting or call a special meeting. The Finance and Audit Committee shall meet at the offices of the Authority, or at such other location within the jurisdiction serviced by the Authority. All meetings of the Finance and Audit Committee except as may otherwise be provided herein below and in accordance with applicable law shall be duly scheduled, subject to public notice and open to the public, to the extent required by, and in accordance with, Florida law. It is initially contemplated, although not required, that the Finance and Audit Committee would meet on at least a monthly basis.
- C. **Quorum.** The presence in person of a majority of the Finance and Audit Committee Members shall constitute a quorum for the transaction of business.
- D. **Committee Action.** If a quorum is present, the affirmative vote of a majority of the Finance and Audit Committee Members shall constitute an act of the Finance and Audit Committee.
- E. **Officers.** The Finance and Audit Committee shall annually elect from its members a chairperson and such other officers as determined by the Finance and Audit Committee. The chairperson shall preside over all meetings of the Finance and Audit Committee. In his or her absence at any particular meeting, the vice chairperson shall preside over the meeting (if one has been elected). In the absence of a chairperson or vice

chairperson, the Finance and Audit Committee members shall elect a replacement chairperson for such meeting.

F. **Reports.** The chairperson (or his or her designee from the Finance and Audit Committee) shall regularly provide reports to the Oversight Committee on the status of matters before the Finance and Audit Committee, and shall provide reports to the Governing Board regarding such matters on an as needed basis.

G. **Responsibilities.** The Finance and Audit Committee shall carry out such responsibilities as are assigned to it by the Governing Board and by the Oversight Committee and take such actions as it deems appropriate within the scope of its responsibilities assigned hereunder. In furtherance thereof the Finance and Audit Committee shall:

1. **General.**

- a. Review the Authority's proposed annual budget as presented by the Authority's staff for the upcoming fiscal year.
- b. Recommend the annual budget to the Governing Board for approval after incorporating necessary amendments.
- c. Monitor and report to the Governing Board on the Authority's compliance with its adopted budget during the fiscal year (actual vs. estimated).
- d. Conduct or authorize investigations into any matters within the Finance and Audit Committee's scope of responsibilities. The Finance and Audit Committee shall have unrestricted access to members of the Authority's staff and relevant information. The Finance and Audit Committee may retain independent counsel, accountants or others to assist if in the conduct of any investigation. Operating budget reserves may be used for investigative costs if necessary.

2. **Internal Controls and Risk Assessment.**

- a. Review and evaluate the effectiveness of the Authority's process for assessing significant risks or exposures and the steps the Authority's staff has taken to monitor and control such risks to the Authority. The Finance and Audit Committee shall review any significant findings and recommendations of the Authority's external auditors together with the Authority's staff's responses including

the timetable for implementation of recommendations to correct any weakness in internal controls.

- b. Receive annual information from the Authority's external auditors regarding their independence, and if so determined by the Finance and Audit Committee, recommend that the Authority takes appropriate actions to satisfy itself of the Authority's external auditor's independence.

3. **Internal Audit.**

- a. Confirm and assure the independence and adequacy of resources for internal audit services.
- b. Review the annual internal audit plan and the focus on risk.
- c. Consider and review with the Authority's staff:
 - (i) Significant findings and the Authority's staff's response including the timetable for implementation to correct weaknesses.
 - (ii) Any difficulties encountered in the course of an audit such as restrictions on the scope of work or access to information.

4. **Compliance with Laws, Regulations, and Code of Conduct.** Determine and make recommendations to the Governing Board as to whether the Authority is in compliance with pertinent laws and regulations, is conducting its affairs in accordance with the Code of Ethics set forth in Administrative Rule 5, and is maintaining effective controls against conflicts of interest and fraud.

5. **Financial Reporting.** Review with the Authority's staff and the Authority's external auditors at the completion of the annual examination:

- a. Communications from the Authority's external auditors in the audit planning process that are required by Government Auditing Standards.
- b. The annual financial statements and related footnotes.
- c. The Authority's external auditors' audit of the financial statements and their report.
- d. Management's Certification of the financial statements.

- e. Any significant changes required in the audit plan.
- f. Any difficulties or disputes with the Authority's staff encountered during the audit.
- g. The organization's accounting principles.
- h. Other matters related to conduct that should be communicated to the Finance and Audit Committee in accordance with Government Auditing Standards #61.
- i. Review with the Authority's staff, the Authority's financial performance on a regular basis.

6. **External Auditor.**

- a. Recommend to the Governing Board the Authority's external auditors to be appointed and the related compensation.
- b. Review and approve the discharge of the Authority's external auditors.
- c. Review the scope and approach of the annual audit with the Authority's external auditors.
- d. Approval all non-audit services provided by the Authority's external auditors.

2.12.3 **Establishment of Risk Management Committee; Purpose.** A committee is hereby established to be known as the Risk Management Committee. The Risk Management Committee is responsible for reviewing and providing recommendations to the Authority with respect to the Authority's safety, insurance and risk management programs.

- A. **Composition.** The Risk Management Committee shall be comprised of five members (each a "**Risk Management Committee Member**"). Each Member of the Governing Board shall be entitled to designate one Risk Management Committee Member from among the employees of the governmental entity that he or she represents. Each Risk Management Committee Member should have expertise in the particular matters that are to come before the Risk Management Committee. The Director of Risk Management of the Authority will not be a member of the Risk Management Committee but will support the committee.
- B. **Meeting Schedule and Notice.** The Risk Management Committee shall annually establish a schedule for meetings; provided, that the chairperson may cancel or reschedule any previously scheduled meeting or call a

special meeting. The Risk Management Committee shall meet at the offices of the Authority, or at such other location within the jurisdiction serviced by the Authority. All meetings of the Risk Management Committee except as may otherwise be provided herein below and in accordance with applicable law shall be duly scheduled, subject to public notice and open to the public, to the extent required by, and in accordance with, Florida law. As provided in Section 768.28(16), Florida Statutes, portions of meetings and proceeds conducted solely to the evaluation of claims or which relate solely to offers of compromise of claims are exempt from the public meeting requirements of Section 286.011, Florida Statutes, and Section 24(b), Article I of the State Constitution. It is initially contemplated, although not required, that the Risk Management Committee would meet on a triannual or quarter annual basis.

- C. **Quorum.** The presence in person of a majority of the Risk Management Committee Members shall constitute a quorum for the transaction of business.
- D. **Committee Action.** If a quorum is present, the affirmative vote of a majority of the Risk Management Committee Members shall constitute an act of the Risk Management Committee.
- E. **Officers.** The Risk Management Committee shall annually elect from its members a chairperson and such other officers as determined by the Risk Management Committee. The chairperson shall preside over all meetings of the Risk Management Committee. In his or her absence at any particular meeting, the vice chairperson shall preside over the meeting (if one has been elected). In the absence of a chairperson or vice chairperson, the Risk Management Committee members shall elect a replacement chairperson for such meeting.
- F. **Reports.** At the next meeting of the Oversight Committee following each meeting of the Risk Management Committee, the chairperson (or his or her designee from the Risk Management Committee) shall provide a report to and solicit input from the Oversight Committee on the status of matters before the Risk Management Committee. The chairperson (or his or her designee from the Risk Management Committee) shall also provide reports to and solicit input from the Governing Board regarding such matters on an as needed basis.
- G. **Responsibilities.** The Risk Management Committee shall carry out such responsibilities as are assigned to it by the Governing Board and the Oversight Committee and take such actions as it deems appropriate within the scope of its responsibilities assigned hereunder. In furtherance thereof the Risk Management Committee shall and is specifically authorized to:

1. Review pending legislation pertaining to liability and sovereign immunity matters and review LYNX's risk management programs and insurance coverages, and provide periodic status updates and recommendations to the Governing Board and Oversight Committee regarding such matters.
2. If requested by the Governing Board, Oversight Committee or Director of Risk Management, review tort and worker's compensation based demands, claims and lawsuits where the Authority is or would be a potential defendant, respondent or otherwise responsible party, and provide recommendations to the Governing Board, Oversight Committee or Director of Risk Management, as appropriate, regarding such demands, claims and lawsuits. Such recommendations may include whether or not to settle such demands, claims and lawsuits and, if the Risk Management Committee believes that settlement is appropriate, the recommended terms of such settlement.

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Agenda Item #2

To: LYNX Finance & Audit Committee Members

From: Blanche W. Sherman, Director of Finance

Phone: 407.841.2279 extension 6100

Item Name: Election of Officers

Date: 09/18/14

The Finance and Audit Committee shall annually elect from its members a chairperson and such other officers as determined by the Finance and Audit Committee. The chairperson shall preside over all meetings of the Finance and Audit Committee. In his or her absence at any particular meeting, the vice chairperson shall preside over the meeting (if one has been elected). In the absence of a chairperson or vice chairperson, the Finance and Audit Committee members shall elect a replacement chairperson for such meeting.

Blanche W. Sherman, LYNX' Director of Finance, will preside over the election of officers at this first meeting of the LYNX Finance & Audit Committee.

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Agenda Item #3

To: LYNX Finance & Audit Committee Members

From: Blanche W. Sherman, Director of Finance
Donna Tefertiller, Director of Human Resources

Phone: 407.841.2279 extension 6100

Item Name: Discussion on Healthcare Costs, Recommendations, and Future Plans

Date: 09/18/14

LYNX previously participated in the Orange County group medical program, but in FY2012 through FY2014, LYNX contracted separately for healthcare insurance. LYNX has experienced savings between the budgeted healthcare costs and the actual costs of employee healthcare insurance. However, these savings have been 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 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 the proposed increases for health insurance and LYNX' fully-insured status, over the next few months LYNX staff has evaluated the medical insurance program to determine the most cost-effective manner in which to provide adequate health coverage including self-insurance.

In addition, LYNX will consider engaging in an independent review of their health insurance program to validate any cost increases being proposed to assist in controlling health insurance coverage premiums. At this time, we have maintained the fifteen percent (15%) initially projected by our broker in the FY2015 Budget.

As we continued to monitor the trends and work with our broker to make a final determination of any anticipated changes for health insurance coverage, we received the actual renewal quote from Cigna with a 28% increase in premiums. At this point, we began to review 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 would increase the employer HSA contributions. This plan design change resulted in a 7.4% in premiums, but with the increase in the employer HSA contributions, the increase was 1.1% higher than the dollar amount budgeted for FY2015.

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At this point, we 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 resulting in a decrease of 1.9%. The 1.9% decrease in premiums with the increase in employer HSA contributions is projected to be within the dollar amount budgeted for FY2015.

Over the next year, 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. The following is a summary identifying the potential fee reductions associated with a self-insured program:

Administrative Fees and Flexibility Self Insured vs. Fully Insured

	Self Insured	Fully Insured
Premium Tax	N/A	1.5%
Health Insurer Fee (ACA)	N/A	2.5% premium
Administrative Fees	5-9% of total claims	11-12% of premium
Stop Loss (pooling charges)	4-7% of total claims	5-8% of premium
Rx Carve out Savings	Rebates and more favorable pricing yields approximately 2% in saving on total medical/rx claims	N/A
Mandatory Generic and Step Therapy	.5% of total Medical/Rx claims	Not in place today, ability to implement under a fully insured or self insured contract
Total Admin Costs	9-16%	20%-24%
Rx Plan Design Savings	2.5% of total medical/rx claims	.5% (if mandatory generic and step therapy is included)

The above information is a range of costs associated with self insured and fully insured plans. Actual costs may vary based on multiple factors including, stop loss deductible, generic utilization, claims payer, etc.

LYNX staff will be seeking recommendation from the Finance and Audit Committee to move forward with the best and final offer from CIGNA at the 1.9% decrease in premiums, increased deductibles and “out of pocket”, with an increase in employer HSA contributions. Joshua Rubich, will be presenting an overview at the September 18, 2014 Finance and Audit Committee meeting. The presentation is attached for your review.



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

2015 Health Insurance Budget

JOSHUA RUBICH – AREA VICE PRESIDENT
DAVID PARKER – CONSULTING ACTUARY



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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.

Renewal History

- 2012- Moved to Florida Blue with a 16% decrease in premium
- 2013- Moved to Cigna with a 4% increase in premium
- 2014- Stayed with Cigna with a 16% increase in premium
- 2015 - TBD
- Overall increase in premium since the 2011 plan year is 4% or approximately 1.3% per year

Savings

- Approximately \$1.1 million in premium or 16% in 2012 by moving to Florida Blue compared to proposed rates being charged by OCBOCC
- Approximately \$1,339,285* in savings from Premium charged to LYNX vs. claims paid from January 2011- March 2012
- Wellness requirements in order to receive H.S.A. funds has resulted in approx \$200k+ savings per year (in funds not distributed)
- Total Savings of over \$2.5 million since LYNX began its own plan

*Assumes a conservative estimate of \$70 per employee per month in admin fees paid to UHC and Stop Loss carrier

CY 2013

Paid January 2013 – December 2013

Month	Membership		Claims					Premium	Premium vs. Claims	
	Subs	Mbrs	Cap	In Network	Out Of Network	Drug	Total			PEPM
Jan 2014	878	1,417	\$0	\$49,295	\$0	\$22,971	\$72,266	\$82	\$589,996	12.2%
Feb 2014	865	1,401	\$17,359	\$145,152	\$0	\$55,451	\$217,962	\$252	\$584,886	37.3%
Mar 2014	856	1,391	\$17,193	\$413,924	\$0	\$87,468	\$518,585	\$606	\$579,569	89.5%
Apr 2014	863	1,407	\$17,099	\$415,918	\$169	\$86,214	\$519,400	\$602	\$586,629	88.5%
May 2014	870	1,424	\$17,376	\$475,554	\$9,810	\$80,814	\$583,554	\$671	\$592,783	98.4%
Jun 2014	878	1,432	\$17,487	\$380,571	\$1,754	\$107,144	\$506,956	\$577	\$594,273	85.3%
Jul 2014	881	1,432	\$19,055	\$285,071	\$193,903	\$106,984	\$605,013	\$687	\$594,936	101.7%
Aug 2014	884	1,425	\$17,677	\$590,751	\$5,530	\$145,075	\$759,033	\$859	\$594,369	127.7%
Sept 2013	897	1,452	\$17,445	\$617,805	\$972	\$138,134	\$774,356	\$863	\$600,544	128.9%
Oct 2013	894	1,448	\$21,057	\$332,060	\$2,947	\$140,617	\$496,681	\$556	\$597,764	83.1%
Nov 2013	905	1,468	\$19,097	\$586,587	(\$202,899)	\$148,864	\$551,648	\$610	\$606,614	90.9%
Dec 2013	896	1,461	\$18,132	\$443,628	\$0	\$177,893	\$639,653	\$714	\$603,166	106.0%
TOTAL	10,564	17,153	\$198,978	\$5,050,193	\$12,186	\$1,297,628	\$6,558,984	\$621	\$7,124,586	92.1%

Rolling 12 Paid Claims

Paid September 2013 – August 2014

Month	Membership		Claims					Premium	Premium vs. Claims	
	Subs	Mbrs	Cap	In Network	Out Of Network	Drug	Total			PEPM
Sept 2013	897	1,452	\$17,445	\$617,805	\$972	\$138,134	\$774,356	\$863	\$600,544	128.9%
Oct 2013	894	1,448	\$21,057	\$332,060	\$2,947	\$140,617	\$496,681	\$556	\$597,764	83.1%
Nov 2013	905	1,468	\$19,097	\$586,587	(\$202,899)	\$148,864	\$551,648	\$610	\$606,614	90.9%
Dec 2013	896	1,461	\$18,132	\$443,628	\$0	\$177,893	\$639,653	\$714	\$603,166	106.0%
Jan 2014	921	1,464	\$19,521	\$687,485	\$1,679	\$108,905	\$817,590	\$888	\$712,819	114.7%
Feb 2014	923	1,472	\$20,232	\$325,249	\$5,188	\$85,902	\$436,570	\$473	\$715,407	61.0%
Mar 2014	937	1,490	\$20,326	\$417,221	\$125,400	\$77,912	\$640,860	\$684	\$724,149	88.5%
Apr 2014	937	1,489	\$22,123	\$720,203	\$9,153	\$116,354	\$867,832	\$926	\$722,817	120.1%
May 2014	939	1,489	\$20,723	\$498,526	\$300	\$148,438	\$667,987	\$711	\$723,305	92.4%
Jun 2014	956	1,512	\$20,662	\$535,307	\$0	\$153,339	\$709,308	\$742	\$734,293	96.6%
Jul 2014	964	1,521	\$28,938	\$662,741	\$1,816	\$111,236	\$804,731	\$835	\$737,128	109.2%
Aug 2014	948	1,494	\$21,081	\$562,964	(\$1,104)	\$185,232	\$768,173	\$810	\$724,635	106.0%
TOTAL	11,117	17,760	\$249,337	\$6,389,776	(\$56,548)	\$1,592,825	\$8,175,390	\$735	\$8,202,643	99.7%

2014 YTD Paid Claims

Paid January – August 2014

Month	Membership		Claims					Premium	Premium vs. Claims	
	Subs	Mbrs	Cap	In Network	Out Of Network	Drug	Total			PEPM
Jan 2014	921	1,464	\$19,521	\$687,485	\$1,679	\$108,905	\$817,590	\$888	\$712,819	114.7%
Feb 2014	923	1,472	\$20,232	\$325,249	\$5,188	\$85,902	\$436,570	\$473	\$715,407	61.0%
Mar 2014	937	1,490	\$20,326	\$417,221	\$125,400	\$77,912	\$640,860	\$684	\$724,149	88.5%
Apr 2014	937	1,489	\$22,123	\$720,203	\$9,153	\$116,354	\$867,832	\$926	\$722,817	120.1%
May 2014	939	1,489	\$20,723	\$498,526	\$300	\$148,438	\$667,987	\$711	\$723,305	92.4%
Jun 2014	956	1,512	\$20,662	\$535,307	\$0	\$153,339	\$709,308	\$742	\$734,293	96.6%
Jul 2014	964	1,521	\$28,938	\$662,741	\$1,816	\$111,236	\$804,731	\$835	\$737,128	109.2%
Aug 2014	948	1,494	\$21,081	\$562,964	(\$1,104)	\$185,232	\$768,173	\$810	\$724,635	106.0%
TOTAL	7,525	11,931	\$173,606	\$4,409,696	\$142,432	\$987,317	\$5,713,052	\$759	\$5,794,554	98.6%

Experience by Branch

Paid January – August 2014

Branch	CAP	IN NETWORK	OUT OF NETWORK	DRUG	TOTAL CLAIMS	PREMIUM	TOTAL LOSS RATIO
ADMIN ADMINISTRATIVE EMPLOYEES	\$39,848	\$1,107,472	\$6,980	\$219,442	\$1,373,742	\$1,239,681	110.8%
COBRA COBRA PARTICIPANTS	\$1,316	\$61,203	\$0	\$16,671	\$79,189	\$19,107	414.5%
MAINT MAINTENANCE EMPLOYEES	\$29,359	\$297,503	\$0	\$92,955	\$419,817	\$998,589	42.0%
RETAD RETIREES UNDER AGE 65/NO SUBSIDY	-\$28	\$0	\$0	\$0	-\$28	\$0	N/A
RETO65 RETIREES OVER AGE 65	-\$21	\$0	\$0	\$0	-\$21	\$0	N/A
RETU65 RETIREES UNDER AGE 65	\$2,586	\$129,249	\$1,475	\$16,313	\$149,622	\$99,579	150.3%
TRANS TRANSPORTATION EMPLOYEES	\$100,546	\$2,814,270	\$133,977	\$641,937	\$3,690,730	\$3,437,598	107.4%
Grand Total	\$173,606	\$4,409,696	\$142,432	\$987,317	\$5,713,052	\$5,794,554	98.6%

LYNX

HDHP Deductible & Out-of-Pocket Report 2013 & 2014

Year	Tier	DED	OOP	Enrolled	Met DED		Met OOP	
2013	Individual	\$1,250	\$2,450	564	130	23%	51	9%
	Family	\$2,500	\$4,900	341	109	32%	45	13%
2014 YTD	Individual	\$1,250	\$2,450	568	125	22%	41	7%
	Family	\$2,500	\$4,900	337	105	31%	41	12%

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Renewal Summary

- Cigna's calculated renewal requested a 34% increase
- GBS negotiated a renewal of 28%
- Plan design changes yielded a 7.28% increase in premium
- Through additional negotiation and updated claims obtained a 2% decrease in premium
- LYNX will fund additional money into an H.S.A. to help curb the difference in plan design changes

HSA Funds

- Current Structure
 - Employees who complete the screenings in March and complete an annual wellness visit receive \$750 for single coverage or \$1,250 for family coverage in a Health Savings Account
- Proposed Option
 - Employees who complete the screenings in March and complete an annual wellness visit receive \$1,250 for single coverage or \$2,250 for family coverage and are eligible for a richer plan
 - Employees who do not complete their screening and annual physical can only choose the low plan and are not eligible for the medical fund
 - Could implement for the 1/1/2015 effective date
 - Additional HSA funds are used to bridge the increased deductible and maximum out of pocket amounts



LYNX

Medical Cost Comparison
Effective date of coverage: January 1, 2015

Medical Insurance: Negotiated Renewal

Carrier		Cigna											
Website		www.cigna.com											
Plan		Current					Renewal						
Plan Name		HSA		HSA		HRA		HSA		HSA		HRA	
Plan Type		OAP-IN		OAP-Plus		OAP-Plus		OAP-IN		OAP-Plus		OAP-Plus	
Open Access		Yes		Yes		Yes		Yes		Yes		Yes	
Location(s)		All		All		All		All		All		All	
In Network Benefits	Deductible (Single/Family)	Calendar Year (CYD) \$1,250/\$2,500		Calendar Year (CYD) \$1,250/\$2,500		Calendar Year (CYD) \$1,500/\$3,000		Calendar Year (CYD) \$1,300/\$2,600		Calendar Year (CYD) \$1,300/\$2,600		Calendar Year (CYD) \$1,500/\$3,000	
	Coinsurance	20%		20%		20%		20%		20%		20%	
	Maximum OOP (Single/Family)	Incl CYD,Coins. \$2,450/\$4,900		Incl CYD,Coins. \$2,450/\$4,900		Excl Rx \$3,000/\$6,000		Incl. all expenses \$2,600/\$5,200		Incl. all expenses \$2,600/\$5,200		Incl. all expenses \$3,000/\$6,000	
	PCP Visit	CYD then 20%		CYD then 20%		\$35		CYD then 20%		CYD then 20%		\$35	
	Specialist	CYD then 20%		CYD then 20%		\$70		CYD then 20%		CYD then 20%		\$70	
	Preventive Care	\$0		\$0		\$0		\$0		\$0		\$0	
	Urgent Care	CYD then 20%		CYD then 20%		\$50		CYD then 20%		CYD then 20%		\$50	
	Inpatient Hospital	CYD then 20%		CYD then 20%		CYD then 20%		CYD then 20%		CYD then 20%		CYD then 20%	
	Outpatient Surgical	CYD then 20%		CYD then 20%		CYD then 20%		CYD then 20%		CYD then 20%		CYD then 20%	
	Routine Lab & X-Ray	CYD then 20%		CYD then 20%		CYD then 20%		CYD then 20%		CYD then 20%		CYD then 20%	
	Complex Imaging	CYD then 20%		CYD then 20%		\$150		CYD then 20%		CYD then 20%		\$150	
	Emergency Room	CYD then 20%		CYD then 20%		\$300		CYD then 20%		CYD then 20%		\$300	
Rx	Deductible	Combined w/ Med		Combined w/ Med		N/A		Combined w/ Med		Combined w/ Med		N/A	
	Preventive	CYD Waived		CYD Waived		N/A		CYD Waived		CYD Waived		N/A	
	Retail (in-network)	\$10/\$50/\$80		\$10/\$50/\$80		\$10/\$30/\$50		\$10/\$50/\$80		\$10/\$50/\$80		\$10/\$30/\$50	
	Mail Order	\$25/\$125/\$200		\$25/\$125/\$200		\$25/\$75/\$125		\$25/\$125/\$200		\$25/\$125/\$200		\$25/\$75/\$125	
OON	Deductible	Not Covered		\$2,500/\$6,250		\$3,000/\$6,000		Not Covered		\$2,500/\$6,250		\$3,000/\$6,000	
	Coinsurance	Not Covered		40%		40%		Not Covered		40%		40%	
	Maximum OOP	Not Covered		\$4,900/\$12,250		\$6,000/\$12,000		Not Covered		\$4,900/\$12,250		\$6,000/\$12,000	
	Emergency Room	CYD then 20%		CYD then 20%		\$300		CYD then 20%		CYD then 20%		\$300	
Number of Employees													
Rates	Employee Only	623	\$545.90	26	\$558.99	30	\$596.46	623	\$701.34	26	\$718.03	30	\$767.09
	Employee + Spouse	77	\$1,150.36	10	\$1,177.86	9	\$1,256.52	77	\$1,485.13	10	\$1,520.18	9	\$1,623.19
	Employee + Child(ren)	73	\$1,040.45	6	\$1,065.33	2	\$1,136.50	73	\$1,342.61	6	\$1,374.33	2	\$1,467.53
	Employee + Family	89	\$1,644.93	6	\$1,684.22	5	\$1,796.58	89	\$2,126.43	6	\$2,176.52	5	\$2,323.65
	Monthly Plan Cost	\$651,025.04		\$42,809.64		\$40,458.38		\$838,552.63		\$55,175.68		\$52,174.72	
	Percent change by plan								28.80%		28.89%		28.96%
Cost	Total Annual Cost	\$8,811,517						\$11,350,836					
	Annual \$ Difference	N/A						\$2,539,320					
	Annual % Difference	N/A						28.82%					
Notes													



LYNX

Medical Cost Comparison
Effective date of coverage: January 1, 2015

Medical Insurance: Cigna Option 2

Carrier		Cigna					Cigna						
Website		www.cigna.com					www.cigna.com						
Plan		Current					Proposed: Option 2						
Plan Name		HSA	HSA	HRA	HSA	HSA	HSA	HSA					
Plan Type		OAP-IN	OAP-Plus	OAP-Plus	Local Plus	OAP-IN	OAP-Plus	OAP-Plus					
Open Access		Yes	Yes	Yes	Yes	Yes	Yes	Yes					
Location(s)		All	All	All	All	All	All	All					
In Network Benefits	Deductible (Single/Family)	Calendar Year (CYD) \$1,250/\$2,500	Calendar Year (CYD) \$1,250/\$2,500	Calendar Year (CYD) \$1,500/\$3,000	Calendar Year (CYD) \$2,500/\$5,000	Calendar Year (CYD) \$2,000/\$4,000	Calendar Year (CYD) \$1,300/\$2,600						
	Coinsurance	20%	20%	20%	20%	20%	20%						
	Maximum OOP (Single/Family)	Incl CYD,Coins. \$2,450/\$4,900	Incl CYD,Coins. \$2,450/\$4,900	Excl Rx \$3,000/\$6,000	Includes all expenses \$5,000/\$10,000	Includes all expenses \$4,000/\$8,000	Includes all expenses \$2,600/\$5,200						
	PCP Visit	CYD then 20%	CYD then 20%	\$35	CYD then 20%	CYD then 20%	CYD then 20%						
	Specialist	CYD then 20%	CYD then 20%	\$70	CYD then 20%	CYD then 20%	CYD then 20%						
	Preventive Care	\$0	\$0	\$0	\$0	\$0	\$0						
	Urgent Care	CYD then 20%	CYD then 20%	\$50	CYD then 20%	CYD then 20%	CYD then 20%						
	Inpatient Hospital	CYD then 20%	CYD then 20%	CYD then 20%	CYD then 20%	CYD then 20%	CYD then 20%						
	Outpatient Surgical	CYD then 20%	CYD then 20%	CYD then 20%	CYD then 20%	CYD then 20%	CYD then 20%						
	Routine Lab & X-Ray	CYD then 20%	CYD then 20%	CYD then 20%	CYD then 20%	CYD then 20%	CYD then 20%						
Complex Imaging	CYD then 20%	CYD then 20%	\$150	CYD then 20%	CYD then 20%	CYD then 20%							
Emergency Room	CYD then 20%	CYD then 20%	\$300	CYD then 20%	CYD then 20%	CYD then 20%							
Rx	Deductible	Combined w/ Med	Combined w/ Med	N/A	Combined w/ Med	Combined w/ Med	Combined w/ Med						
	Preventive	CYD Waived	CYD Waived	N/A	CYD Waived	CYD Waived	CYD Waived						
	Retail (in-network)	\$10/\$50/\$80	\$10/\$50/\$80	\$10/\$30/\$50	\$10/\$50/\$80	\$10/\$50/\$80	\$10/\$50/\$80						
	Mail Order	\$25/\$125/\$200	\$25/\$125/\$200	\$25/\$75/\$125	\$25/\$125/\$200	\$25/\$125/\$200	\$25/\$125/\$200						
OON	Deductible	Not Covered	\$2,500/\$6,250	\$3,000/\$6,000	Not Covered	Not Covered	\$2,500/\$6,250						
	Coinsurance	Not Covered	40%	40%	Not Covered	Not Covered	40%						
	Maximum OOP	Not Covered	\$4,900/\$12,250	\$6,000/\$12,000	Not Covered	Not Covered	\$4,900/\$12,250						
	Emergency Room	CYD then 20%	CYD then 20%	\$300	CYD then 20%	CYD then 20%	CYD then 20%						
Number of Employees													
Rates	Employee Only	619	\$545.90	26	\$558.99	30	\$596.46	619	\$520.54	26	\$607.73	30	\$722.58
	Employee + Spouse	77	\$1,150.36	10	\$1,177.86	9	\$1,256.52	77	\$1,104.19	10	\$1,289.14	9	\$1,532.76
	Employee + Child(ren)	71	\$1,040.45	6	\$1,065.33	2	\$1,136.50	71	\$998.05	6	\$1,165.23	2	\$1,385.43
	Employee + Family	86	\$1,644.93	6	\$1,684.22	5	\$1,796.58	86	\$1,581.73	6	\$1,846.67	5	\$2,195.65
	Monthly Plan Cost	\$641,825.75		\$42,809.64		\$40,458.38		\$614,127.22		\$46,763.78		\$49,221.35	
	Percent change by plan								-4.32%		9.24%		21.66%
Cost	Total Annual Cost	\$8,701,125					\$8,521,348						
	Annual \$ Difference	N/A					(\$179,777)						
	Annual % Difference	N/A					-2.07%						
Notes													

LYNX

Medical Insurance Contribution Summary: 2014 & 2015

2014							2015								
Monthly Premium	LYNX Monthly Contribution			Employee Cost			Monthly Premium	LYNX Monthly Contribution			Employee Cost				
	Premium	%	Health Fund	Monthly	Paycheck	Premium		%	Health Fund	Monthly	Paycheck				
Network HDHP: Union <i>\$750 Indiv / \$1,250 Fam</i>							Network HDHP (Local Plus): Union <i>\$750 Indiv / \$1,250 Fam</i>								
EE	514	\$545.90	\$545.90	100%	\$62.50	\$0.00	\$0.00	EE	514	\$701.34	\$701.34	100%	\$62.50	\$0.00	\$0.00
ES	54	\$1,150.36	\$793.75	69%	\$104.17	\$356.61	\$164.59	ES	54	\$1,485.13	\$1,024.74	69%	\$104.17	\$460.39	\$212.49
EC	50	\$1,040.45	\$717.91	69%	\$104.17	\$322.54	\$148.86	EC	50	\$1,342.61	\$926.40	69%	\$104.17	\$416.21	\$192.10
EF	65	\$1,644.93	\$1,135.00	69%	\$104.17	\$509.93	\$235.35	EF	65	\$2,126.43	\$1,467.24	69%	\$104.17	\$659.19	\$304.24
Mo. Total		\$501,655	\$433,126		\$49,729	\$68,529		Mo. Total		\$646,034	\$557,515		\$49,729	\$88,519	
Network HDHP: Admin <i>\$750 Indiv / \$1,250 Fam</i>							Network HDHP (Local Plus): Admin <i>\$750 Indiv / \$1,250 Fam</i>								
EE	105	\$545.90	\$545.90	100%	\$62.50	\$0.00	\$0.00	EE	105	\$701.34	\$701.34	100%	\$62.50	\$0.00	\$0.00
ES	23	\$1,150.36	\$826.27	72%	\$104.17	\$324.09	\$149.58	ES	23	\$1,485.13	\$1,066.73	72%	\$104.17	\$418.40	\$193.11
EC	21	\$1,040.45	\$762.14	73%	\$104.17	\$278.31	\$128.45	EC	21	\$1,342.61	\$983.48	73%	\$104.17	\$359.13	\$165.75
EF	21	\$1,644.93	\$1,153.24	70%	\$104.17	\$491.69	\$226.93	EF	21	\$2,126.43	\$1,490.81	70%	\$104.17	\$635.62	\$293.36
Mo. Total		\$140,171	\$116,547		\$13,333	\$23,624		Mo. Total		\$180,649	\$150,135		\$13,333	\$30,513	
Buy-Up HDHP <i>\$750 Indiv / \$1,250 Fam</i>							Buy-Up HDHP <i>\$750 Indiv / \$1,250 Fam</i>								
EE	26	\$558.99	\$545.90	98%	\$62.50	\$13.09	\$6.04	EE	26	\$718.03	\$701.34	98%	\$62.50	\$16.69	\$7.70
ES	10	\$1,177.86	\$793.75	67%	\$104.17	\$384.11	\$177.28	ES	10	\$1,520.18	\$1,024.74	67%	\$104.17	\$495.44	\$228.66
EC	6	\$1,065.33	\$717.91	67%	\$104.17	\$347.42	\$160.35	EC	6	\$1,374.33	\$926.40	67%	\$104.17	\$447.93	\$206.74
EF	6	\$1,684.22	\$1,135.00	67%	\$104.17	\$549.22	\$253.49	EF	6	\$2,176.52	\$1,467.24	67%	\$104.17	\$709.28	\$327.36
Mo. Total		\$42,810	\$33,248		\$3,917	\$9,561		Mo. Total		\$55,176	\$42,844		\$3,917	\$12,332	
HRA <i>\$500 Indiv / \$1,000 Fam</i>							HRA <i>\$500 Indiv / \$1,000 Fam</i>								
EE	30	\$596.46	\$545.90	92%	\$41.67	\$50.56	\$23.34	EE	30	\$767.09	\$701.34	91%	\$41.67	\$65.75	\$30.35
ES	9	\$1,256.52	\$793.75	63%	\$83.33	\$462.77	\$213.59	ES	9	\$1,623.19	\$1,024.74	63%	\$83.33	\$598.45	\$276.21
EC	2	\$1,136.50	\$717.91	63%	\$83.33	\$418.59	\$193.20	EC	2	\$1,467.53	\$926.40	63%	\$83.33	\$541.13	\$249.75
EF	5	\$1,796.58	\$1,135.00	63%	\$83.33	\$661.58	\$305.34	EF	5	\$2,323.65	\$1,467.24	63%	\$83.33	\$856.41	\$395.27
Mo. Total		\$40,458	\$30,632		\$2,583	\$9,827		Mo. Total		\$52,175	\$39,452		\$2,583	\$12,723	
Vacant Positions							Vacant Positions								
EE	47	\$545.90	\$545.90		\$41.67			EE	50	\$570.34	\$701.34		\$62.50		
Mo. Total		\$25,657	\$25,657		\$1,958			Mo. Total		\$28,517	\$35,067		\$3,125		
Grand Totals							Grand Totals								
EEs:* 994	Premium	Lynx Prem.		Lynx Fund	Employee		EEs:* 997	Premium	Lynx Prem.		Lynx Fund	Employee			
Monthly	\$750,751	\$639,210		\$71,521	\$111,542		Monthly	\$962,550	\$825,013		\$72,688	\$144,087			
Annual	\$9,009,013	\$7,670,515		\$858,250	\$1,338,498		Annual	\$11,550,602	\$9,900,162		\$872,250	\$1,729,040			
								28.2%	29.1%		1.6%	29.2%			
Total	Premium	Lynx Total Cost		Employee			Total	Premium	Lynx Total Cost		Employee				
Annual	\$9,009,013	\$8,528,765		\$1,338,498			Annual	\$11,550,602	\$10,772,412		\$1,729,040				
								28.2%	26.3%		29.2%				

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LYNX

Medical Insurance Cost & Contribution Summary: FY 2013-14 vs FY 2014-15 (Includes Vacant Positions)

2013-2014

	Premium	LYNX Contribution			Employee
	Premium	Health Fund	Total LYNX		
October - December 2013					
Monthly Cost	\$619,987	\$525,071	\$67,288	\$592,359	\$94,915
2013 Total	\$1,859,960	\$1,575,213	\$201,863	\$1,777,076	\$284,746
January - September 2014					
Monthly Cost	\$750,751	\$639,210	\$72,500	\$711,710	\$111,542
2014 Total	\$6,756,760	\$5,752,886	\$652,500	\$6,405,386	\$1,003,874
Fiscal Year 2013-2014 Total					
	Premium	LYNX Contribution			Employee
	Premium	Health Fund	Total LYNX		
2013-2014	\$8,616,719	\$7,328,099	\$854,363	\$8,182,462	\$1,288,620

2014-2015

	Premium	LYNX Contribution			Employee
	Premium	Health Fund	Total LYNX		
October - December 2014					
Monthly Cost	\$750,751	\$639,210	\$72,500	\$711,710	\$111,542
2014 Total	\$2,252,253	\$1,917,629	\$217,500	\$2,135,129	\$334,625
January - September 2015					
Monthly Cost	\$736,139	\$612,779	\$126,521	\$739,299	\$123,361
2015 Total	\$6,625,254	\$5,515,007	\$1,138,688	\$6,653,694	\$1,110,247
Fiscal Year 2014-2015 Total					
	Premium	LYNX Contribution			Employee
	Premium	Health Fund	Total LYNX		
2014-2015	\$8,877,507	\$7,432,636	\$1,356,188	\$8,788,823	\$1,444,872
<i>difference</i>	\$260,788	\$104,536	\$501,825	\$606,361	\$156,252
	3.0%	1.4%	58.7%	7.4%	12.1%

Benchmarking

	Cost			Benefits		
	Total	ER	EE	DED	Coins	OOP
LYNX						
EE	\$520.54	\$520.54	\$0.00	\$2,500	20%	\$5,000
ES	\$1,104.19	\$761.89	\$342.30	\$5,000		\$10,000
EC	\$995.05	\$686.58	\$308.47	\$5,000		\$10,000
EF	\$1,581.73	\$1,091.39	\$490.34	\$5,000		\$10,000

Seminole County BOCC				
EE	\$650.63	\$650.63	\$0.00	Unavailable at this time. Rates may be a blend of all plans as only one set of rates was filed in the 112.08 filing
ES	\$1,398.08	\$1,061.55	\$336.53	
EC	\$1,164.35	\$993.02	\$171.33	
EF	\$1,948.06	\$1,476.99	\$471.07	

City of Orlando				
EE	\$700.47	\$665.44	\$35.03	\$0 Copays
ES	\$1,323.88	\$966.43	\$357.45	
EC	\$1,253.83	\$915.30	\$338.53	
EF	\$2,381.57	\$1,738.55	\$643.02	

	Cost			Benefits		
	Total	ER	EE	DED	Coins	OOP
Osceola County						
EE	\$559.08	\$559.08	\$0.00	\$1,250	20%	\$3,000
EE +1	\$1,015.51	\$876.93	\$138.58	\$2,500		\$6,000
EF	\$1,528.73	\$1,313.17	\$215.56	\$2,500		\$6,000

Orange County Government				
EE	\$497.32	\$497.32	\$0.00	20%
ES	\$1,094.82	\$927.98	\$166.83	
EC	\$1,009.49	\$857.83	\$151.67	
EF	\$1,487.11	\$1,151.28	\$335.83	

Note: In all cases, we are benchmarking the base plan offered by the entity.

Information was obtained through a combination of the Florida Department of Insurance and the entity's websites. As such, information may not be current.

2015 Considerations

- Continue to increase the level of engagement on LYNX wellness programs
- Consider tying HSA contribution to an increased level of activity than in previous years
- Further evaluate self funding to take advantage of lower administrative fees, healthcare reform fees and increased flexibility

Wellness Initiatives

Date(s)	Wellness Campaign	Results/Comments
May 1, 2012	Wellness Committee formed	First meeting held
March 30, 2012; April 4, 10 & 12, 2012	Biometric Screening	Health Fair and one additional day at each Lynx location
March 30, 2012	Health Fair (Inaugural)	2 locations
August 18, 2012	Diabetes Class	8 hour class-registration required (12 participants)
October 13, 2012	Diabetes Class	Insufficient participants-no class
June 15, 2012- Aug 18, 2012	Walking Works Campaign	Kick off 6/12, 19 teams signed up
Sept 6, 11, & 20, 2012	Nutrition campaign-UF Orange County Extension	Event held at each Lynx location- food prepared for testing/nutritional info provided/prizes offered
December 14, 2012	Stress Relief Day	2 Massage therapists – 10 minute massages at LOC/LCS from 9-5 pm

Wellness Initiatives

Date(s)	Wellness Campaign	Results/Comments
March 15, 2013	Biometric Screening/ Health Risk Assessments	
March 15, 2013	Health Fair (Year 2)	2 locations
March 15, 2013 - July 7, 2013	Biggest Loser Campaign	146 registered/weighed in at Health Fair
April-June 2013	Onsite Fitness Classes	Fitness classes provided along with Biggest Loser Campaign
August 1, 2013	Wellness Logo/Slogan	Logo/Slogan created via competition
August 1, 2013	Wellness Survey	Survey Monkey online/ paper copies to employees for feedback on wellness initiatives
August 2, 2013 Grand Reopening	Revitalize Lynx Wellness Center	New machines / repair machines / paint / new flooring
June 1, 2013	Disney Marathon entries	Jan 8-12, 2014 - 4 slots for Lynx employees to half marathon or 5K
October 14-16, 2014	Brown Bag Nutrition Event	Nutritionist onsite –Table presentation
November 4-6, 2014	One On One Nutrition sessions	30 minute individual sessions
December 7, 2013	Lake Eola 5K event (Track Shack)	Up to 25 slots for LYNX participation in 5K event
Dec. 11 & 12, 2014	Stress Free Massage Event	12/11 OSF 12/11 LOC 12/12 LCS

Wellness Initiatives

Date(s)	Wellness Campaign	Results/Comments
February 28, 2014	Lynx Health Fair	Health Fair at LOC 8-4
Feb 28 & Mar 5, 2014	Biometric Screenings and Health Risk Assessments	2/28: LOC 3/5: LCS
February 28, 2014	Launch Biggest Loser Campaign	LOC, LCS and OSF initial weigh ins Mar/Apr/May weigh-ins June (bonus weigh-in)
April 17, 2014	IOA Corporate 5K (Track Shack)	Up to 20 slots for LYNX employee participation
April 29, 2014	Bike to Work	Refreshments
June 15 & 22, 2014	Softball Tournament	2 Sunday events, 4 teams/40-50 employee participation, barbecue following, team caps and shirts, trophy
August 2014	Bowling tournament	2 day tournament, 48 registered. Actual participation 40
August 2014	Sunday Golf outing	24 participated
September 6, 2014	2014 Greater Orlando Heart Walk	5K Walk to raise funds for AHA/Lynx goal to raise \$2,500
September 20, 2014	Lynx Bike ride on West Orange Trail	Bike on West Orange Trail; Lynx provides 10 bikes to use for ride
Pending – November 1, 2014	Softball/Family Day at Barnett Park	2 fields/pavilion. Softball tournament, family activities, cookout
Pending - December	December Stress Relief Massages	10 minute massages at all three Lynx locations

LYNX Finance & Audit Committee Agenda

Agenda Item #4

To: LYNX Finance & Audit Committee Members

From: Blanche W. Sherman, Director of Finance

Phone: 407.841.2279 extension 6100

Item Name: Compressed Natural Gas (CNG) Project

Date: 09/18/14

LYNX received an Unsolicited Proposal from NoPetro dated September 13, 2013.

Actions Taken:

- ✓ Within sixty (60) days of receipt of the Unsolicited Proposal, the Chief Executive Officer (CEO) determined the following:
 1. It is valid.
 2. It is essential to the Authority.
 3. It contains sufficient technical and cost information.
 4. It has been approved by the proposer's responsible official capable of entering into a contract.
- ✓ A letter signed by the CEO acknowledging the above determinations was sent to NoPetro on November 1, 2013.
- ✓ Advertising was posted in the Orlando Sentinel from November 9 to December 9, 2013.
- ✓ On November 25, 2013, the services of Stifel, Nicolaus & Company, Incorporated (Stifel) were acquired to perform a comprehensive review and financial evaluation of the proposal.
- ✓ On January 29, 2014 and March 27, 2014, Margaret Lezcano, Managing Director of Stifel, provided updates to LYNX' Audit Committee on the status of the comprehensive review and financial evaluation of the proposal.
- ✓ On May 22, 2014, Margaret Lezcano and LYNX staff provided an update to the LYNX' Audit Committee on the operations evaluation with recommendations to move forward with negotiations with NoPetro.
- ✓ On May 22, 2014, LYNX Board of Director's authorized LYNX' Chief Executive Officer or designee to begin negotiations with NoPetro for the CNG Unsolicited Proposal

LYNX Finance & Audit Committee Agenda

with the final recommendations to be brought before the Board of Directors for final approval.

- ✓ At the September 25 Audit Committee meeting, Margaret Lezcano and LYNX staff will provide an update on the CNG proposal operations evaluation and continuing negotiations with NoPetro.

Margaret Lezcano, Managing Director of Stifel will be presenting the “Summary Findings of Financial and Operations Feasibility of LYNX’ Conversion to CNG” at the September 18, 2014 Finance and Audit Committee meeting. The presentation is attached for your review.



SUMMARY FINDINGS OF FINANCIAL
AND OPERATIONS FEASIBILITY:
LYNX CONVERSION TO CNG

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SECTION I:
UNSOLICITED PROPOSAL OVERVIEW

OVERVIEW OF NOPETRO AND SERVICES TO BE PROVIDED

About Nopetro

- Founded in 2007 and based in Coral Gables
- Specializes in the design, finance, operation and maintenance of CNG (“Compressed Natural Gas”) and LNG (“Liquefied Natural Gas”) fueling stations and related facilities
- Formed a CNG P3 with Leon County Public Schools in July 2011
 - Full service 2.5-acre CNG fueling facility
 - Three dual-hose fast fueling CNG dispensers

Potential Benefits Offered to LYNX

- Fuel cost savings over Biodiesel
- New revenue source from third party CNG purchases
- Opportunity to fund expanded service
- Relieve LYNX of fueling station Operation and Maintenance responsibilities
- Diversify fuel consumption by utilizing alternative domestic resources
- Reduce air pollutants

Nopetro Commitment

- Incur capital cost to construct fast fueling CNG station
 - Purchase a 13.5-acre tract next to LYNX’s current maintenance facility
 - Build three transit fast-fill lanes and three light duty fast-fill lanes
 - Fuel each bus between six and eight minutes
 - Design facility and hold land for further expansion
- Design and perform all modifications to LYNX’s existing maintenance facility to make it CNG compliant
- Train LYNX’s employees on fueling procedures
- Maintain all CNG fueling station operations, including providing station attendant
- Lease CNG buses on behalf of LYNX
- Pay LYNX an \$0.085 royalty for each Diesel Gallon Equivalent (“DGE”) sold at the Nopetro-Lynx CNG fueling station to third party purchasers
- Provide FuelMule, a portable on-site CNG fueling station for an emergency back-up

PROPOSED COMMITMENT FROM LYNX

1) Build, Operate and Maintain a CNG Fueling Station

- An initial acquisition of at least 35 CNG transit buses
- A minimum of 50% of LYNX's new bus acquisitions would be CNG during the contract term (20 years)
- All LYNX CNG buses in Orange County must purchase their fuel from the Nopetro-LYNX CNG Fueling Station
- Minimum take-or-pay commitment of 500,000 DGEs annually
 - The proposed take-or-pay commitment is for 15 years
 - The proposed P3 term is for 20 years

2) Maintenance Facility Upgrade (Optional)

- LYNX can make one payment, annual payments, or pay a higher per-DGE price to finance the upgrades
- Two prices are offered, depending on timing of upgrades
 - Option One – South Wing CNG and Maintenance Facility Modification (23 bays) for \$1,425,000
 - Option Two – Total CNG Maintenance Facility Modification (South and West Wings) for \$2,500,000
 - Tax-exempt interest rates may be available for financing the upgrades

3) Lease Transit Buses to LYNX (Optional)

- Lease provided to Nopetro by BBVA Compass for a ten year term
- LYNX lease counterparty would be a Special Purpose Entity of Nopetro
- Lease could be structured as tax exempt or taxable
- No requirements on number of buses to be leased
- Nopetro would charge LYNX a to-be-negotiated administrative fee to manage the leases



SECTION II:

FINANCIAL ASSUMPTIONS AND SCENARIO RESULTS

- 1) **50% COMMITMENT TO FUTURE BUS PURCHASES (BASE CASE)**
- 2) **100% COMMITMENT TO FUTURE BUS PURCHASES**
- 3) **FULL CONVERSION UPFRONT**

MODEL OVERVIEW

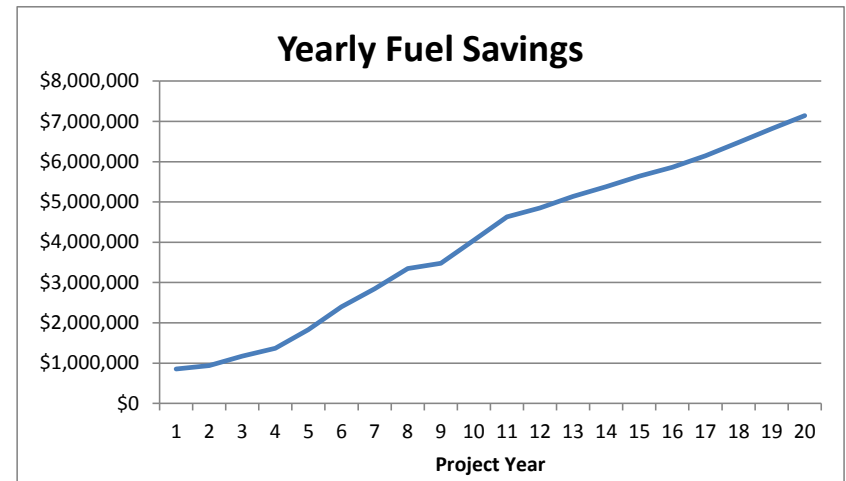
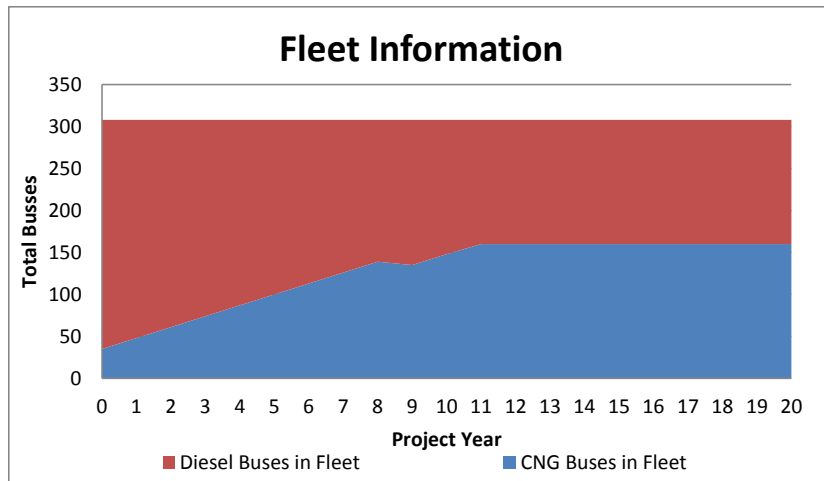
- Stifel developed an Excel model to measure the financial feasibility of the proposed CNG conversion
- The model calculates three measures of financial efficiency: Net Present Value, Internal Rate-of-Return and Payback Period
- Cash Flow savings are calculated as the difference between the annual cost of DGEs consumed on CNG buses and the comparable fuel cost on Diesel buses
- Capital Costs include the maintenance facility modification financed over a ten year period, and the higher cost of CNG buses compared to Diesel buses (estimated to be \$50,000 per bus)
- Royalty Payments are a cash inflow and are based on Nopetro's estimates of third party sales over time
- The model assumes the LYNX fleet does not expand and will follow the planned replacement schedule presented in its budget and capital plans (with future replacement based on a 9 year average life)

SCENARIO 1: 50% COMMITMENT TO CNG (BASE CASE)

- This scenario assumes half of future bus replacements will use CNG buses
- This scenario allows LYNX to meet the minimum requirements under the unsolicited P3 Proposal
- The slower time frame to full conversion reduces LYNX's annual fuel savings, but allows for LYNX to diversify its fuel and reduce its exposure to natural gas

Benchmark Results	
NPV of Fuel Savings	\$25,403,203
NPV of Royalty Payments	\$2,261,091
Payback Period (Years)	5.68
MIRR	20%

Royalty Payments based on Nopetro's estimates

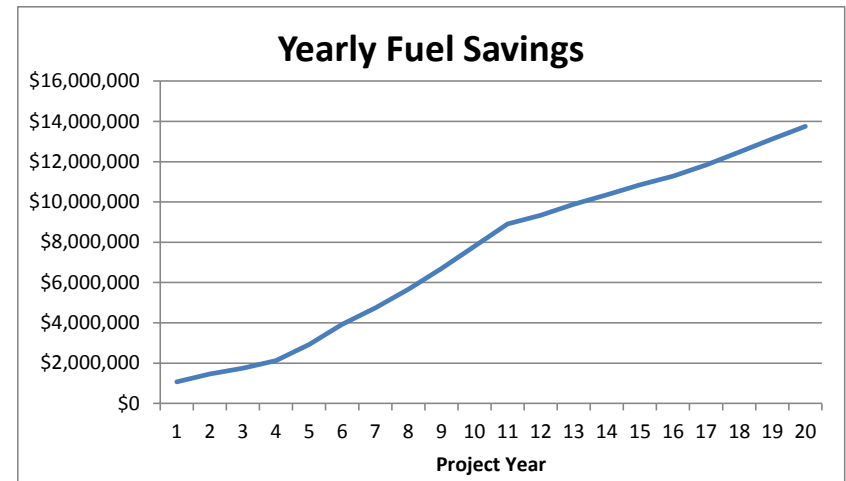
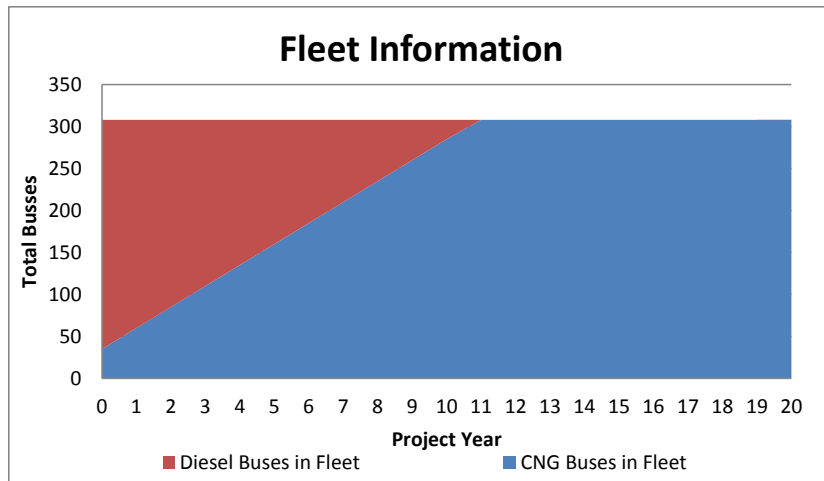


SCENARIO 2: 100% COMMITMENT TO CNG MOVING FORWARD

- This scenario assumes all future bus replacements will use CNG buses (model assumes no fleet growth)
- A 100% CNG commitment on future bus replacements is the quickest way to accelerate annual fuel savings, while following LYNX's bus replacement schedule, as presented in its budget and capital plans

Benchmark Results	
NPV of Fuel Savings	\$49,188,596
NPV of Royalty Payments	\$2,261,091
Payback Period (Years)	5.54
MIRR	22%

Royalty Payments based on Nopetro's estimates

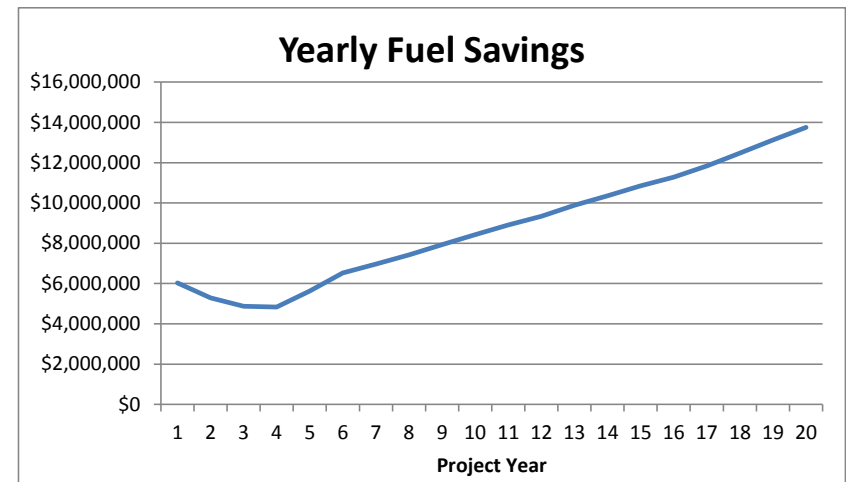
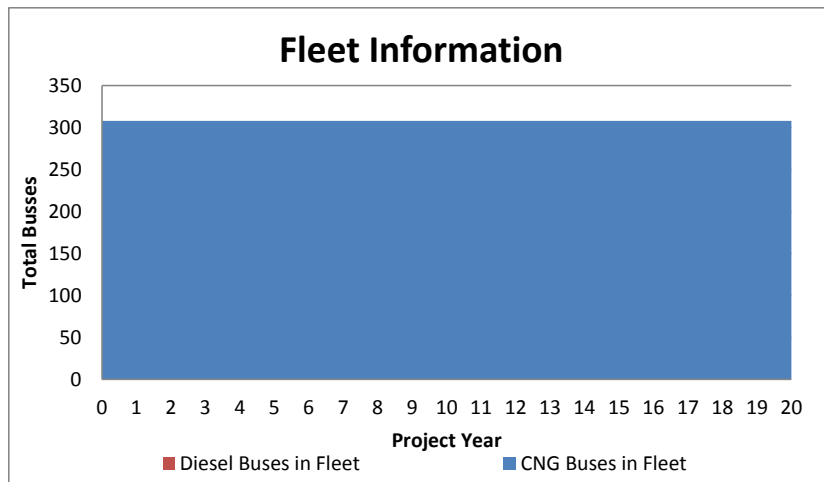


SCENARIO 3: FULL CONVERSION TO CNG UPFRONT

- This scenario assumes that LYNX converts its entire fleet into CNG today
- This scenario provides the highest fuel savings to LYNX, but also the highest cost (approximately \$170 million to replace entire fleet with new buses)

Benchmark Results	
NPV of Fuel Savings	\$59,845,542
NPV of Royalty Payments	\$2,261,091
Payback Period (Years)	3.36
MIRR	11%

Royalty Payments based on Nopetro's estimates





SECTION III:
**INITIAL CONSTRUCTION, ENGINEERING
AND MAINTENANCE REVIEW**

LYNX REVIEW OF PROPOSED MAINTENANCE FACILITY CHANGES

- A committee of LYNX senior managers was appointed by the CEO to conduct an initial review of the Proposal
- The committee hosted a site visit with Nopetro on April 30th to walk-through the maintenance facility and diligence the scope of work from construction, maintenance, transportation, safety and risk perspectives
- Several follow-up conversations were held internally at LYNX and with Nopetro to answer questions
- Nopetro confirmed that the walk-through session, including associated technical discussions, did not alter the proposed pricing or scope of work needed for the maintenance facility

PROPOSED SCOPE OF WORK FOR LYNX MAINTENANCE FACILITY CHANGES

1. Installation of a gas (methane) detection system outfitted with audible and visual alarms and exhaust systems
2. Upgrade installation to the mechanical exhaust ventilation system (to increase the rate of exhaust in a defined leak detection event)
3. Installation of appropriate general exhaust fans and louvered ventilation will be installed
4. Upgrade to the HVAC heating system
5. Upgrades and installation modifications to electrical system and distribution panels
6. Upgrades to the existing fire protection sprinkler system may be implemented and interconnected with PLC controlling all emergency response systems
7. Installation of a lightning protection system with surge protectors
8. Installation of two sealed - three hour fire rated partition walls between maintenance garage spaces and occupied offices and common areas
9. Seal all penetrations with 3-M three-hour fire rated material between maintenance garage area and occupied offices
10. Remove bottom side roof deck and roof joist system paint and replace with fire retardant paint



APPENDIX A:
KEY DEFINITIONS

DEFINITIONS

BTU (British Thermal Unit) = a standard measurement of the heat value of a fuel (energy content)

Compressed Natural Gas (CNG) = natural gas that is compressed to allow more energy to fit into a smaller fuel tank

CPI (Consumer Price Index) = weighted average price of consumer goods, popular as a measure of inflation

Diesel-Gallon Equivalents (DGE) = amount of alternative fuel it takes to equal the energy in one gallon of diesel fuel

MIRR (Modified Internal Rate of Return) = discount rate that makes the present value of all cash flows equal zero

NPV (Net Present Value) = The discounted present value of the difference between cash inflow and cash outflow

NYMEX Henry Hub = pricing point for natural gas futures contracts traded on the New York Mercantile Exchange

P3 (Public-Private Partnership) = a contractual arrangement between public and private sector partners pertaining to the design, construction, operation, management and/or finance of revenue generating public infrastructure facilities and projects

Payback Period = number of years required to recover the cost of an investment

Required Rate of Return = The interest rate used to determine the present value of cash flows

Royalty Payment = in the unsolicited Proposal LYNX would be entitled to \$0.085 on every third party gallon sold at the Nopetro-LYNX CNG fueling station

DISCLOSURE

Stifel, Nicolaus & Company, Incorporated (“Stifel”) is providing the information for discussion purposes and is declaring that it has done so within the regulatory framework of MSRB Rule G-23 as a financial advisor, as defined therein, and not an underwriter to the issuer for this proposed issuance of municipal securities. A “financial advisory relationship” shall be deemed to exist when a firm enters into an agreement to render financial advisory or consultant services to or on behalf of an issuer with respect to the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters. Accordingly, any services provided by Stifel as they relate to our role as financial advisor should not be construed as those of an underwriter or placement agent.