

CITY OF FALCON HEIGHTS
Regular Meeting of the City Council
City Hall
2077 West Larpenteur Avenue

AGENDA
November 28, 2012

- A. CALL TO ORDER:
- B. ROLL CALL: LINDSTROM ____ HARRIS ____ GOSLINE ____
LONG ____ MERCER-TAYLOR ____
FISCHER ____
- C. PRESENTATIONS:
- D. APPROVAL OF MINUTES: November 14, 2012
- E. PUBLIC HEARINGS:
- F. CONSENT AGENDA:
 - 1. General Disbursements through 11/20/2012: \$147,697.33
Payroll through 11/13/2012: \$14,909.60
 - 2. Approval of City License
 - 3. Declaration of Amendment and Restatement of the City of Falcon Heights Flexible Benefits Plan
 - 4. Designation of 2013 Prosecuting Attorney
 - 5. 2013 Housing Resource Center Consultant Services Agreement
- G. POLICY ITEMS:
 - 1.
- H. INFORMATION/ANNOUNCEMENTS:
- I. COMMUNITY FORUM:
- J. ADJOURNMENT:

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City Hall
2077 West Larpenteur Avenue

AGENDA
November 14, 2012

- A. CALL TO ORDER: 7:00pm
- B. ROLL CALL: LINDSTROM __X__ HARRIS __X__ GOSLINE __X__
LONG __X__ MERCER-TAYLOR __X__
FISCHER __X__
- C. PRESENTATIONS:
1. Jody McCardle and Mary Hayes presented information on the Como Park Home Nurse Program and entertained questions and comments from council.
- D. APPROVAL OF MINUTES: October 24, 2012 Approved
- E. PUBLIC HEARINGS:
- F. CONSENT AGENDA: Pam Harris Moved Approval 5-0
1. General Disbursements through 10/30/2012: \$24,842.92
Payroll through 10/31/2012: \$15,050.44
2. Approval of City License
3. SCORE Grant Application Authorization
4. Parks/Public Works Capital Budget Amendment
5. Community Garden Special Revenue Fund 203 Budget Amendment
6. Statutory Tort Limits Liability Coverage for City in 2013
7. Approval of Copy Machine Agreement with Loffler (Addition)
8. Call for a Public Hearing on the Refinancing of the 2005 Ecumen/Pines of Hutchinson Conduit Financing Bonds (Addition)
- G: POLICY ITEMS: Removed by request of Prosecuting Attorney Katrina Joseph
1. Resolution Requesting the Ramsey County District Court Retain the Current Scheduling System for Suburban Criminal Cases
- H. INFORMATION/ ANNOUNCEMENTS:
Council member Beth Mercer-Taylor
Attending Ramsey County League of Governments tomorrow.

Council member Pam Harris

Thanked voters

Council member Chuck Long

Commission openings on Parks and Recreation Commission and Human Rights Commission.

Council member Keith Gosline

NYFS Board meeting tomorrow.

Mayor Peter Lindstrom

Lions Club has scholarships for residents of Falcon Heights

Thanked election judges

Sue Gehrz has been named Lion of the Year

I. COMMUNITY FORUM:

J. ADJOURNMENT:

7:35pm



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 28, 2012
Agenda Item	Consent F1
Attachment	General Disbursements and Payroll
Submitted By	Roland Olson, Finance Director

Item	General Disbursements and Payroll
Description	General Disbursements through 11/20/2012: \$147,697.33 Payroll through 11/13/2012: \$14,909.60
Budget Impact	
Attachment(s)	General Disbursements and Payroll
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve general disbursements and payroll.

PACKET: 00756 Regular Payables

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-05389	ALLISON DAVITT					
I-201211203739		REIMB: CART & CRAFT SUPPLIES	78.49			
11/20/2012	APBNK	DUE: 11/20/2012 DISC: 11/20/2012		1099: N		
		REIMB: CART & CRAFT SUPPLIES		201 4201-70100-000	SUPPLIES	78.49
		=== VENDOR TOTALS ===	78.49			
=====						
01-00259	AMERICAN ENGINEERING TESTING I					
I-56280		GEO TECHNICAL SERVICES/ST PRO	2,763.00			
11/20/2012	APBNK	DUE: 11/20/2012 DISC: 11/20/2012		1099: N		
		GEO TECHNICAL SERVICES/ST PROJ		419 4419-92095-000	2013 STREET PROJECTS	2,763.00
		=== VENDOR TOTALS ===	2,763.00			
=====						
01-00250	AMERIPRIDE SERVICES					
I-1002301925		LINEN CLEANING	41.08			
11/20/2012	APBNK	DUE: 11/20/2012 DISC: 11/20/2012		1099: N		
		LINEN CLEANING		101 4124-82011-000	LINEN CLEANING	41.08
		=== VENDOR TOTALS ===	41.08			
=====						
01-00092	BEARCOM					
I-4158759		BATTERY AND PACK	486.35			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		BATTERY AND PACK		101 4124-87092-000	REPAIR RADIOS	486.35
		=== VENDOR TOTALS ===	486.35			
=====						
01-03001	CAMPBELL KNUTSON					
I-201211193737		OCT LEGALS	246.50			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		OCT LEGALS		101 4114-80200-000	LEGAL FEES	246.50
		=== VENDOR TOTALS ===	246.50			
=====						
01-03089	CASH					
I-201211193732		PENS/FIRE STUDY EXPS/SUPPLIES	101.08			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		PENS/SUPPLIES FOR ELECTION		101 4115-70100-000	SUPPLIES	31.96
		STARTING FLUID		101 4132-70120-000	SUPPLIES	8.12
		ELECTION JUDGES POP		101 4115-70100-000	SUPPLIES	8.75
		NEIGHTBORHOOD MEETING SUPPLIES		101 4117-70100-000	SUPPLIES	12.87
		GAS		101 4132-74000-000	MOTOR FUEL & LUBRICANTS	10.00
		COUNCIL FIRE STUDY FOOD		101 4111-70100-000	SUPPLIES	29.38
		=== VENDOR TOTALS ===	101.08			

PACKET: 00756 Regular Payables

VENDOR SET: 01 City of Falcon Heights

SEQUENCE : ALPHABETIC

DUE TO/FROM ACCOUNTS SUPPRESSED

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
01-03110	CENTURY LINK					
I-201211193738		LAND LINE	59.13			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		LAND LINE		101 4141-85011-000	TELEPHONE - LANDLINE	59.13
		=== VENDOR TOTALS ===	59.13			

01-05175	CONTINENTAL RESEARCH CORPORATI					
I-377988-CRC-1		MAINTENANCE WINTER GLOVES^	89.22			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		MAINTENANCE WINTER GLOVES^		101 4132-77000-000	CLOTHING	89.22
		=== VENDOR TOTALS ===	89.22			

01-05171	FRA DOR INC					
I-1210339		BLACK DIRT	25.65			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		BLACK DIRT		419 4419-92005-000	SIDEWALK IMPROVEMENTS	25.65
		=== VENDOR TOTALS ===	25.65			

01-05166	GRAINGER, W. W., INC.					
I-9969099325		THREE PARKING LOT LIGHTS	34.26			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		THREE PARKING LOT LIGHTS		209 4209-70100-000	SUPPLIES	34.26
		=== VENDOR TOTALS ===	34.26			

01-05564	MED-COMPASS					
I-20530		MEDICAL EXAMS FIRE FIGHTERS	1,447.50			
11/20/2012	APBNK	DUE: 11/20/2012 DISC: 11/20/2012		1099: N		
		MEDICAL EXAMS FIRE FIGHTERS		101 4124-86200-000	MEDICAL EXAMINATIONS	1,447.50
		=== VENDOR TOTALS ===	1,447.50			

01-05582	MENARDS					
I-201211193734		OIL DRY/LUMBER FOR BARICADES	239.78			
11/16/2012	APBNK	MANUAL CK# 079946 11/15/2012		1099: N		
		OIL DRY		101 4124-70100-000	SUPPLIES	25.64
		LUMBER FOR STREET BARICADES		101 4132-70120-000	SUPPLIES	214.14
		=== VENDOR TOTALS ===	239.78			

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-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-05670	METRO PRODUCTS INC					
1-88523		GRINDER DISKS	101.00			
11/20/2012	APBNK	DUE: 11/20/2012 DISC: 11/20/2012		1099: N		
		GRINDER DISKS		101 4132-70120-000	SUPPLIES	101.00
		=== VENDOR TOTALS ===	101.00			
=====						
01-05693	MIDWEST ASPHALT CORPORATION					
1-120573MB		CONCRETE DUMP CHARGES	25.00			
11/20/2012	APBNK	DUE: 11/20/2012 DISC: 11/20/2012		1099: N		
		CONCRETE DUMP CHARGES		419 4419-92005-000	SIDEWALK IMPROVEMENTS	25.00
		=== VENDOR TOTALS ===	25.00			
=====						
01-07231	MN FIRE SVC CERT. BOARD					
1-1609		CERTIFICATION EXAM (ARCAND)	75.00			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		CERTIFICATION EXAM (ARCAND)		101 4124-86020-000	TRAINING	75.00
		=== VENDOR TOTALS ===	75.00			
=====						
01-05273	MN PUBLIC EMPLOYEES INSURANCE					
1-201211193736		DEC HEALTH INSURANCE	8,195.72			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		DEC HEALTH INSURANCE		101 4112-89000-000	MISCELLANEOUS	8,195.72
		=== VENDOR TOTALS ===	8,195.72			
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01-05489	MUNICIPAL EMERGENCY SERVICES I					
1-00358935_SNV		BUNKER GEAR	1,036.66			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		BUNKER GEAR		402 4402-91000-000	MACHINERY & EQUIPMENT	1,036.66
		=== VENDOR TOTALS ===	1,036.66			
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01-07263	NEXTEL COMMUNICATIONS, INC					
1-201211203741		CELL PHONE	147.15			
11/20/2012	APBNK	DUE: 11/20/2012 DISC: 11/20/2012		1099: N		
		CELL PHONE		101 4121-85015-000	CELL PHONE	70.40
		CELL PHONE		101 4131-85015-000	CELL PHONE	12.11
		CELL PHONE		101 4141-85015-000	CELL PHONE	31.57
		CELL PHONE		101 4132-85015-000	CELL PHONE	7.29
		CELL PHONE		601 4601-85015-000	CELL PHONE	20.84
		CELL PHONE		602 4602-85015-000	CELL PHONES	4.94
		=== VENDOR TOTALS ===	147.15			

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-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-06024	CN	SITE SANITATION				
I-A-479328		PORTABLE TOILET RENT	59.85			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		PORTABLE TOILET RENT		601 4601-85080-000	PORTABLE TOILET PARKS	59.85
I-a-479265		PORTABLE TOILET RENT	59.85			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		PORTABLE TOILET RENT		601 4601-85080-000	PORTABLE TOILET PARKS	59.85
		=== VENDOR TOTALS ===	119.70			
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01-05766	RIVERLAND	COMMUNITY COLLEGE				
I-201211163729		FIRE OFFICER TRAINING (2)	550.00			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		FIRE OFFICER TRAINING (2)		101 4124-86020-000	TRAINING	550.00
		=== VENDOR TOTALS ===	550.00			
=====						
01-06301	SAMS CLUB	DISCOVER CARD				
I-201211193733		KITCHEN SUPPLIES/STARTING FLU	313.33			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		COUNCIL WORKSHOP FIRE STUDY FO		101 4111-70100-000	SUPPLIES	44.50
		KITCHEN SUPPLIES/COFFEE/CUPS		101 4131-70110-000	SUPPLIES	101.71
		JD MOWER BEACON LIGHT		101 4141-87120-000	FACILITIES & GROUND MAIN	64.26
		JD MOWER BEACON LIGHT		101 4132-70120-000	SUPPLIES	102.86
		=== VENDOR TOTALS ===	313.33			
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01-06441	SCOTT WEMYSS	(PARTAGS)				
I-03-196		6 NAMETAGS	19.24			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		6 NAMETAGS		101 4124-70100-000	SUPPLIES	19.24
		=== VENDOR TOTALS ===	19.24			
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01-07268	SPRINGSTED					
I-1		PARTIAL FIRE STUDY FEE	8,134.28			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		PARTIAL FIRE STUDY FEE		101 4124-80330-000	FIRE CONSULTANT	8,134.28
		=== VENDOR TOTALS ===	8,134.28			

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=====						
01-07128		ST CROIX TREE SERVICE				
I-77030		TREE/STUMP REMOVAL	1,197.00			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		TREE/STUMP REMOVAL		419 4419-85000-000	TREE REMOVAL	1,197.00
		=== VENDOR TOTALS ===	1,197.00			

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01-06525		SUBURBAN ACE HARDWARE				
I-201211203740		TORCH/CLEANERS/DECK SCREWS	67.99			
11/20/2012	APBNK	DUE: 11/20/2012 DISC: 11/20/2012		1099: N		
		PROPANE TORCH STARTER		101 4124-70100-000	SUPPLIES	26.99
		CLEANER AND GROUND PLUG		101 4124-70100-000	SUPPLIES	12.62
		DECK SCREWS AND FASTENERS		101 4132-70120-000	SUPPLIES	28.38
		=== VENDOR TOTALS ===	67.99			

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01-05170		TOM LYNCH ELECTRIC				
I-201211163730		ELECTRICAL WORK	10,100.00			
11/16/2012	APBNK	DUE: 11/16/2012 DISC: 11/16/2012		1099: N		
		LED ELECTRICAL		209 4209-70180-000	STREET LIGHT RETROFIT	4,800.00
		TIME CLOCK PARTS AND LAMPS		403 4403-91000-000	MACHINERY & EQUIPMENT	1,595.00
		BALASTS AND PHOTO CELLS		403 4403-91000-000	MACHINERY & EQUIPMENT	1,715.00
		REMOVE LIGHT/ADD GROUND BOX		403 4403-91000-000	MACHINERY & EQUIPMENT	600.00
		SIGN, PARKING, RE LAMP LIGHTS		209 4209-87120-000	REPAIR & MAINTENANCE	1,390.00
		=== VENDOR TOTALS ===	10,100.00			

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01-00293		US BANK TRUST NATL ASSOC				
I-201211193735		ICMA CONF HOTEL/PARKING/ELECT	524.77			
11/16/2012	APBNK	MANUAL CK# 079945 11/15/2012		1099: N		
		MCMA CONF HOTEL EXP		101 4112-86100-000	CONFERENCES/EDUCATION/AS	458.73
		ICMA CONF FOOD		101 4112-86100-000	CONFERENCES/EDUCATION/AS	11.84
		CAMPUS MEETING PARKING EXP		101 4112-86010-000	MILEAGE & PARKING	6.00
		CAMPUS MEETING PARKING EXP		101 4115-70100-000	SUPPLIES	48.20
		=== VENDOR TOTALS ===	524.77			

=== PACKET TOTALS === 36,218.88

Fed Withholdings 4693.03
 St Withholdings 790.74
 Pera 2636.76
 ICMA 1825.00

46,164.41

-----ID-----			CROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-00142		ACTION IMPRINTS				
I-12933		SWEATSHIRTS W/ CITY LOGO	296.00			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		8 SWEATSHIRTS W/ CITY LOGO		101 4132-77000-000	CLOTHING	175.00
		6 SWEATSHIRTS W/ CITY LOGO		101 4132-77000-000	CLOTHING	121.00
		=== VENDOR TOTALS ===	296.00			
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01-00255		AMERICAN OFFICE PRODUCTS				
I-129412		SUPPLIES	201.37			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		PENCILS/ERASERS/BINDERS		101 4112-70100-000	SUPPLIES	162.03
		BUSINESS CARDS		101 4112-70100-000	SUPPLIES	39.34
		=== VENDOR TOTALS ===	201.37			
=====						
01-00250		AMERIPRIDE SERVICES				
I-1002289523		LINEN CLEANING	41.08			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		LINEN CLEANING		101 4124-82011-000	LINEN CLEANING	41.08
		=== VENDOR TOTALS ===	41.08			
=====						
01-00295		AVR, INC				
I-72570		CONCRETE FOR SIDEWALK	906.63			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		CONCRETE FOR SIDEWALK		419 4419-92005-000	SIDEWALK IMPROVEMENTS	906.63
		=== VENDOR TOTALS ===	906.63			
=====						
01-00892		BEARCOM				
I-20204547		BATTERY AND BATTERY PACK	454.00			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		BATTERY AND BATTERY PACK		101 4124-70100-000	SUPPLIES	454.00
		=== VENDOR TOTALS ===	454.00			
=====						
01-01669		SARAE BROWN				
I-201211093721		REPLACE CK 77900	7.00			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		REPLACE CK 77900		201 34310-000	RECREATION FEES	7.00
		=== VENDOR TOTALS ===	7.00			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-03110	CENTURY LINK					
I-201211093720		TELEPHONE BILL	114.36			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		PUMP STATION LANDLINE		601 4601-85011-000	TELEPHONE - LANDLINE	59.35
		PUMP STATION LANDLINE		101 4141-85011-000	TELEPHONE - LANDLINE	55.01
		=== VENDOR TOTALS ===	114.36			
=====						
01-06290	CITY OF ROSEVILLE					
I-0216675		NOV PHONE/IT SERVICES	1,620.59			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		NOV PHONE SERVICES		101 4116-85010-000	TELEPHONE	354.09
		NOV IT SERVICES		101 4116-85070-000	TECHNICAL SUPPORT	1,266.50
		=== VENDOR TOTALS ===	1,620.59			
=====						
01-04092	FISCHER, BART J					
I-201211093719		OCT MILEAGE REIMBURSEMENT	44.57			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		OCT MILEAGE REIMBURSEMENT		101 4112-85010-000	MILEAGE & PARKING	44.57
		=== VENDOR TOTALS ===	44.57			
=====						
01-05426	GREEN LIGHT RECYCLING, INC.					
I-12-5923		RECYCLING CHARGES	1,249.76			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		TRANSFORMERS, LAMPS, AND OTHER		209 4209-87120-000	REPAIR & MAINTENANCE	1,249.76
		=== VENDOR TOTALS ===	1,249.76			
=====						
01-03255	KEEPRS, INC.					
I-195704		100 SHOULDER PATCHES	363.38			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		100 SHOULDER PATCHES		101 4124-77000-000	CLOTHING	363.38
		=== VENDOR TOTALS ===	363.38			
=====						
01-05536	LINN BUILDING MAINTENANCE					
I-22543		NOV CLEANING	180.62			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		NOV CLEANING		101 4131-87010-000	CITY HALL MAINTENANCE	180.62
		=== VENDOR TOTALS ===	180.62			

-----ID-----			GROSS	P.O. #		
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----	DISTRIBUTION
=====						
01-05670	METRO PRODUCTS INC					
I-88393		TY WRAPS, HX LAG, MECH SET	379.95			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		TY WRAPS, HX LAG, MECH SET		101 4131-70110-000	SUPPLIES	379.95
		=== VENDOR TOTALS ===	379.95			
=====						
01-05665	METROPOLITAN COUNCIL					
I-0001002483		DEC 12 WASTE WATER SRVCS	32,518.75			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		DEC 12 WASTE WATER SRVCS		601 4601-85060-000	METRO SEWER CHARGES	32,518.75
		=== VENDOR TOTALS ===	32,518.75			
=====						
01-05693	MIDWEST ASPHALT CORPORATION					
I-120352MB		OLD CONCRETE DUMPING CHARGES	38.88			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		OLD CONCRETE DUMPING CHARGES		419 4419-92005-000	SIDEWALK IMPROVEMENTS	38.88
		=== VENDOR TOTALS ===	38.88			
=====						
01-05744	MN DEPT OF HUMAN RIGHTS					
I-201211093718		2012 SYMPOSIUM	70.00			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		2012 SYMPOSIUM		101 4111-86100-000	CONFERENCES/EDUCATION/TR	70.00
		=== VENDOR TOTALS ===	70.00			
=====						
01-06065	OXYGEN SERVICE COMPANY					
I-03209339		CYLINDER MAINTENANCE	71.47			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		CYLINDER MAINTENANCE		101 4124-70100-000	SUPPLIES	71.47
		=== VENDOR TOTALS ===	71.47			
=====						
01-06185	RAMSEY COUNTY					
I-RISK-001547		DENTAL, LIFE, DISABILITY INS	1,067.08			
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N		
		DENTAL, LIFE, DISABILITY INS		101 4112-89000-000	MISCELLANEOUS	1,067.08
		=== VENDOR TOTALS ===	1,067.08			

-----ID-----			GROSS	P.O. #			
POST DATE	BANK CODE	-----DESCRIPTION-----	DISCOUNT	G/L ACCOUNT	-----ACCOUNT NAME-----		DISTRIBUTION
=====							
01-00935		ST PAUL REGIONAL WATER SERVICE					
I-201211093722		WATER CHARGES	416.81				
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N			
		WATER CHARGES		101 4132-85040-000	WATER FOR BLVD PLANTS		17.13
		WATER CHARGES		101 4132-85040-000	WATER FOR BLVD PLANTS		399.68
		=== VENDOR TOTALS ===	416.81				
=====							
01-07003		TESCH, SCOTT					
I-201211093717		PRINTER & 2 CAMERAS FOR FTS	178.68				
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N			
		PRINTER & 2 CAMERAS FOR FTS		101 4124-70100-000	SUPPLIES		178.68
		=== VENDOR TOTALS ===	178.68				
=====							
01-05303		MICHELLE TESSER					
I-201211093723		ELECTION SUPPLIES/CONFERENCE F	324.90				
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N			
		ELECTION SUPPLIES		101 4115-70100-000	SUPPLIES		309.90
		USTA TENNIS WORKSHOP		101 4141-86100-000	CONFERENCES/EDUCATION/AS		15.00
		=== VENDOR TOTALS ===	324.90				
=====							
01-05370		XCEL ENERGY					
I-201211093724		ELECTRIC/GAS BILL	3,061.09				
11/09/2012	APBNK	DUE: 11/09/2012 DISC: 11/09/2012		1099: N			
		ELECTRIC BILL		209 4209-85020-000	STREET LIGHTING POWER		265.87
		ELECTRIC BILL		101 4131-85020-000	ELECTRIC		28.16
		GAS BILL		101 4131-85030-000	NATURAL GAS		26.72
		ELECTRIC BILL		209 4209-85020-000	STREET LIGHTING POWER		10.75
		ELECTRIC BILL		209 4209-85020-000	STREET LIGHTING POWER		58.77
		ELECTRIC BILL		209 4209-85020-000	STREET LIGHTING POWER		584.00
		ELECTRIC BILL		209 4209-85020-000	STREET LIGHTING POWER		2,086.82
		=== VENDOR TOTALS ===	3,061.09				
		=== PACKET TOTALS ===	43,606.97				

POST DATE	BANK CODE	DESCRIPTION	GROSS DISCOUNT	P.O. # G/L ACCOUNT	ACCOUNT NAME	DISTRIBUTION
-----ID-----						
0		ALLIED WASTE SERVICES				
I-0923-00208231		NOV WASTE REMOVAL	314.67			
11/02/2012	APBNK	DUE: 11/02/2012 DISC: 11/02/2012		1099: N		
		NOV WASTE REMOVAL		101 4131-82010-000	WASTE REMOVAL	314.67
=== VENDOR TOTALS ===			314.67			

L-00295		AVR, INC				
I-0162		CONCRETE FOR SIDEWALK	820.27			
11/02/2012	APBNK	DUE: 11/02/2012 DISC: 11/02/2012		1099: N		
		CONCRETE FOR SIDEWALK		419 4419-92005-000	SIDEWALK IMPROVEMENTS	820.27
=== VENDOR TOTALS ===			820.27			

L-05488		FOURTH DIMENSION				
I-1226		SIDEWALK POETRY STAMP	267.81			
11/02/2012	APBNK	DUE: 11/02/2012 DISC: 11/02/2012		1099: N		
		SIDEWALK POETRY STAMP		419 4419-92005-000	SIDEWALK IMPROVEMENTS	267.81
=== VENDOR TOTALS ===			267.81			

L-05153		HOME DEPOT CRC/GECF				
I-201211023715		HOME DEPOT CRC/GECF	97.62			
11/02/2012	APBNK	DUE: 11/02/2012 DISC: 11/02/2012		1099: N		
		LID, BUCKET, FELT		101 4141-70100-000	SUPPLIES	65.53
		WEATHER SHIELD		101 4141-70100-000	SUPPLIES	9.67
		EPOXY AND BLK BUSHING		101 4124-70100-000	SUPPLIES	13.40
		BUSHING AND 2 NIPPLES		101 4124-70100-000	SUPPLIES	9.02
=== VENDOR TOTALS ===			97.62			

L-05510		LEAGUE OF MN CITIES				
I-170838		REGIONAL MEETING '12	40.00			
11/02/2012	APBNK	DUE: 11/02/2012 DISC: 11/02/2012		1099: N		
		REGIONAL MEETING '12		101 4112-86100-000	CONFERENCES/EDUCATION/AS	40.00
=== VENDOR TOTALS ===			40.00			

** T O T A L S **

INVOICE TOTALS 57,925.95
 DEBIT MEMO TOTALS 0.00
 CREDIT MEMO TOTALS 0.00

BATCH TOTALS 57,925.95

** G/L ACCOUNT TOTALS **

ANK	YEAR	ACCOUNT	NAME	AMOUNT	=====LINE ITEM=====		=====GROUP BUDGET=====	
					ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG	ANNUAL BUDGET	BUDGET OVER AVAILABLE BUDG
2012		101-20200-000	ACCOUNTS PAYABLE	50,334.18-*				
		101-4112-86100-000	CONFERENCES/EDUCATION/AS	40.00	4,500	583.24- Y		
		101-4121-85020-000	ELECTRIC	7.10	75	14.48		
		101-4122-81000-000	POLICE SERVICES	49,672.43	596,069	65,063.55		
		101-4124-70100-000	SUPPLIES	22.42	5,000	1,915.68		
		101-4124-85015-000	CELL PHONE	90.11	900	79.86		
		101-4131-82010-000	WASTE REMOVAL	314.67	4,500	1,048.69		
		101-4141-70100-000	SUPPLIES	134.11	4,100	227.42		
		101-4141-85020-000	ELECTRIC/GAS	53.34	7,500	5,058.42		
		206-20200-000	ACCOUNTS PAYABLE	5,769.00-*				
		206-4206-82030-000	RECYCLING CONTRACTS	5,769.00	70,000	12,310.00		
		209-20200-000	ACCOUNTS PAYABLE	132.53-*				
		209-4209-85020-000	STREET LIGHTING POWER	132.53	33,000	10,850.01		
		403-20200-000	ACCOUNTS PAYABLE	577.50-*				
		403-4403-91700-000	SW CORNER REPAIR	577.50	0	4,419.00- Y		
		419-20200-000	ACCOUNTS PAYABLE	1,088.08-*				
		419-4419-92005-000	SIDEWALK IMPROVEMENTS	1,088.08	7,000	833.04		
		601-20200-000	ACCOUNTS PAYABLE	24.66-*				
		601-4601-85020-000	ELECTRIC	24.66	325	93.99		
		999-13100-000	DUE FROM OTHER FUNDS	57,925.95 *				
			** 2012 YEAR TOTALS	57,925.95				

MP #	NAME	AMOUNT
004	BART J FISCHER	2,408.86
1-1010	MICHELLE C TESSER	1,615.75
1-1136	ROLAND O OLSON	1,416.07
1-1038	DEBORAH K JONES	1,674.53
1-0085	DANIEL S JOHNSON-POWERS	166.31
1-0086	RICHARD H HINRICHS	175.37
1-0087	MICHAEL A MCKAY	124.48
1-0095	MICHAEL J POESCHL	239.80
1-0101	DALE E HUFF	124.87
1-0105	ANTON M FEHRENBACH	142.94
1-0106	SCOTT A TESCH	74.37
1-0124	MICHAEL D KRUSE	189.90
1-1030	TIMOTHY J PITTMAN	1,737.17
1-1033	DAVE TRETSTVEN	1,477.37
1-1143	COLIN B CALLAHAN	1,066.27

TOTAL PRINTED: 15 12,634.06

11/13/2012 9:18 AM

PAYROLL CHECK REGISTER

PAGE: 1

PAYROLL NO: 01 City of Falcon Heights

PAYROLL DATE: 11/13/2012

EMP NO	EMPLOYEE NAME	TYPE	CHECK DATE	CHECK AMOUNT	CHECK NO.
111	STANCZYK, JACOB	R	11/13/2012	151.21	079931
1014	KURHAJETZ, CLEMENT	R	11/13/2012	255.18	079932
1040	ANDERSON, KEVIN	R	11/13/2012	124.30	079933
1097	GAFNEY, PATRICK	R	11/13/2012	239.80	079934
1104	VANN, VINCENT A	R	11/13/2012	99.83	079935
1110	WICK, JEFFREY M	R	11/13/2012	103.00	079936
1121	SULLIVAN, BRYAN R	R	11/13/2012	144.95	079937
1122	MILLER, RACHEL L	R	11/13/2012	118.30	079938
1126	SMITH, BENJAMIN J	R	11/13/2012	144.95	079939
1127	PONTRELLI, MITCHELL E	R	11/13/2012	140.28	079940
1128	ROSENBERG, NICHOLAS M	R	11/13/2012	53.29	079941
1132	ARCAND, MICHAEL W	R	11/13/2012	311.20	079942
1032	PITTMAN, JOSHUA D	R	11/13/2012	165.59	079943
1036	IVERSON, ERIC K	R	11/13/2012	223.66	079944

11/13/2012 9:18 AM

PAYROLL CHECK REGISTER

PAGE: 2

PAYROLL NO: 01 City of Falcon Heights

PAYROLL DATE: 11/13/2012

*** REGISTER TOTALS ***

REGULAR CHECKS:	14	2,275.54
DIRECT DEPOSIT REGULAR CHECKS:	15	12,634.06
MANUAL CHECKS:		
PRINTED MANUAL CHECKS:		
DIRECT DEPOSIT MANUAL CHECKS:		
VOIDED CHECKS:		
NON CHECKS:		

TOTAL CHECKS:	29	14,909.60



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 28, 2012
Agenda Item	Consent F2
Attachment	N/A
Submitted By	Michelle Tesser, Assistant to the City Administrator

Item	Approval of City Licenses
Description	<p>The following individuals have applied for a <u>Mechanical License</u> for 2012. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. Uptown Heating and Cooling 2. Maxwell Services Inc. 3. Swift Mechanical Inc. 4. Air Rite Heating and Ac Inc. 5. St. Marie Sheet Metal, Inc. 6. Junction Plumbing and Heating Inc. 7. Air Conditioning Associates Inc. <p>The following individuals have applied for a <u>Christmas Tree License</u> for 2012. Staff has received the necessary documents for licensure.</p> <ol style="list-style-type: none"> 1. U of MN Forestry Club 2. Falcon Heights/Lauderdale Lions
Budget Impact	
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve the 2012 City License Applications.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 28, 2012
Agenda Item	Consent F3
Attachment	Flex Plan Amendment FSA Plan Appendix Master Plan Document
Submitted By	Roland Olson, Finance Director

Item	Declaration of Amendment and Restatement of the City of Falcon Heights Flexible Benefits Plan
Description	<p>The City of Falcon Heights established a flexible benefits plan for its employees effective January 1, 2008. Under this plan, employees are able to divert up to \$2,500 per year into a tax free account for medical expenses and divert up to \$5,000 a year for dependent daycare expenses. For these two options, the eligible expenses must be spent by the end of the year.</p> <p>With this amendment and restatement of the City of Falcon Heights Flexible Benefits Plan, two additional options are available to the employees. The first option is to include employee salary reduction contributions to a Health Savings Account (there is no contribution from the city). The second option is to include a Limited Health Care Flexible Spending Account for reimbursement of dental, vision and post-deductible expenses. The effective date of the Amended and Restated City of Falcon Heights Flexible Spending Plan would be January 1, 2013.</p> <p>This amendment provides two more options to the employees to help the city remain competitive with retention and hiring practices.</p>
Budget Impact	NA
Attachment(s)	Flex Plan Amendment FSA Plan Appendix Master Plan Document
Action(s) Requested	Staff recommends the city council approve and adopt the Amended and Restated City of Falcon Heights Flexible Benefits Plan to be effective January 1, 2013.

City of Falcon Heights
Flexible Benefits Plan

Declaration of Amendment & Restatement

City of Falcon Heights, pursuant to the retained power of amendment contained in Section 6.1 of the City of Falcon Heights Flexible Benefits Plan, restates the Plan in its entirety to read as set forth in the attached instrument, entitled, City of Falcon Heights Flexible Benefit Plan (the “Flexible Benefits Plan” or the “Plan”).

The Plan was amended and restated on January 1, 2013 to include a Limited Health Care Flexible Spending Account for reimbursement of dental, vision and post-deductible expenses under Appendix B and to include Employee Salary Reduction Contributions to a Health Savings Account under Section 4. The Amended and Restated Plan, except as otherwise expressly provided for in the attached instrument, shall be effective as of January 1, 2013.

IN WITNESS WHEREOF, City of Falcon Heights has caused this instrument to be executed by its duly authorized officers this ___ day of _____ 2012.

City of Falcon Heights

By: _____

Its: _____

PLAN INFORMATION APPENDIX

This document is the Plan Information Appendix referred to in the Master Plan Document and Summary Plan Description. This document plus the Master Plan Document and its appendices are intended to constitute the Plan document for the Flexible Benefit Plan identified below. This document and the Summary Plan Description are intended to constitute the Summary Plan Description for the Flexible Benefit Plan identified below.

Name of Plan: The name of the plan is the City of Falcon Heights Flexible
[Plan – Sec. 1.1] Benefit Plan (the “Flexible Benefits Plan” or the “Plan”).

[SD]

Effective Date: The “Effective Date” of the Plan is: January 1, 1991.
[Plan – Sec. 1.3]

[SD] The Plan was amended and restated on January 1, 2013 to include a Limited Health Care Flexible Spending Account for reimbursement of dental, vision and post-deductible expenses under Appendix B and to include Employee Salary Reduction Contributions to a Health Savings Account under Section 4.

Rules of Construction: The Plan shall be administered and construed according to the
[Plan – Sec. 1.4] laws of the state of Minnesota, to the extent that such laws are not preempted by the laws of the United States of America.

Account: The following account(s) are available under the Plan (*check
[Plan – Sec. 2.1] each that applies*):

- A Health Care Flexible Spending Account for reimbursement of medical expenses under Appendix A.
- A Limited Health Care Flexible Spending Account for reimbursement of dental, vision and Post-Deductible Expenses under Appendix B.
- A Dependent Care Flexible Spending Account for reimbursement of dependent care expenses under Appendix C.
- An Individual Health Premium Account for reimbursement of individual health premiums under Appendix D.

Entry Date: With respect to an individual who becomes a Qualified
[Plan – Sec. 2.5(b)(1)] Employee with the Employer during the Plan Year, the individual will be eligible to participate in the Plan on the first day of the month following date of employment, provided the election procedures are followed.

[SD]

Employer:
[Plan – Sec. 2.6]

The “Employer” is City of Falcon Heights.

[SD]

Grace Period
[Plan – Sec. 2.7]

A Grace Period

is
 is not

available under the Plan. The Grace Period applies to Plan Years commencing on or after January 1, 2008. The Grace Period only applies to the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account. It does not apply to the Dependent Care Flexible Spending Account

Contact Information for Plan Sponsor and Plan Administrator:

The Employer is the Plan Sponsor and Plan Administrator. The address for the Plan Sponsor and the Plan Administrator is:

[SD]

2077 W. Larpenteur Ave.
Falcon Heights, MN 55113

The phone number for the Plan Sponsor and the Plan Administrator is (651) 792-7600.

Participating Employer:
[Plan – Sec. 2.10]

In addition to the Employer, the Participating Employers are the following Controlled Group Members ... There are no Participating Employers.

[SD]

Plan Year:
[Plan – Sec. 2.12]

The Plan Year is the 12-consecutive month period commencing on January 1st.

[SD – Covered Positions]

Check each that applies:

- The first Plan Year is a short Plan Year that began on the Effective Date and ended (*month, day, year*).
- The Plan Year has been amended. The last Plan Year before the amendment ended (*month, day, year*), and the short Plan Year resulting from the amendment began the next day and ended (*month, day, year*).

Qualified Employee:
[Plan – Sec. 2.14]

A Qualified Employee is any Employee regularly scheduled to work at least 40 hours per week.

[SD]

A Qualified Employee does not include (*check the applicable boxes*):

- A salaried employee.
- An hourly-wage employee.
- An employee paid primarily on a commission basis.
- An employee in any of the following units or locations:
 - Any employee who owns more than 2% of the S-corporation (including spouses, children, grandchildren and parents of 2% or more owners)
 - Other:

Qualified Employees are in “covered positions” for purposes of the SD.

Cessation of Participation:
[Plan – Sec. 3.3]

If a Participant experiences a Termination of Employment or ceases to be a Qualified Employee, participation in the Plan will cease on . . .

[SD]

- the date of the event.
- the last day of the month in which the event occurs.

Employer Credits to Accounts:
[Plan – Sec. 4.2]

The Employer . . .

[SD]

- will not
- will . . .

grant credits to each Participant for purposes of selecting among the benefits available under the Plan.

Complete the next question only if “will” is selected.

The Employer may grant a credit to each Participant for purposes of selecting among the benefits available under the Plan on (*check the applicable box*):

- The first day of the pay period.
- The first day of the Plan Year.
- The first day of each quarter.
- Other.

The use of the Employer credits shall be subject to the following restrictions: _____.

Salary Reduction Credits to Accounts:

[Plan – Sec. 4.3(b)]

The maximum annual amount a Participant may contribute to his or her Health Care Flexible Spending Account or his or her Limited Health Care Flexible Spending Account is: \$2,500.00.

Payment of Premiums and Allocation to Accounts:

[Plan – Sec. 4.6(a)]

Benefits:

[Plan – Appendix A-1(e)]

[Plan – Appendix B-1(e)]

[SD]

Election

[Plan – Sec. 2.4]

The Employer will make the following contributions to Health Savings Accounts:

Election Period

[Plan – Sec. 2.5]

N/A – Health Savings Account contributions are not included in the Plan.

Pre-tax salary reduction contributions.

Participation

[Plan – Sec. 3.1]

Employers flex credit contributions.

Non-elective Employer contributions.

Salary Reduction Contributions to Health Savings Account:

[Plan – Sec. 4.5]

Payment of Premiums and Allocation to Accounts:

[Plan – Sec. 4.6]

[SD]

Benefit Plan Premiums:

[Plan – Sec. 2.2]

Premiums for the following Benefit Plans may be paid on a pre-tax basis under the Plan (*check each that applies*).

[SD]

group medical coverage

group dental coverage

group vision coverage

group-term life insurance

Election

[Plan – Sec. 2.4]

The Individual Health Premium Payment Feature

[SD]

is

is not . . .

included in the Plan.

Electronic Payment Card [Plan – Appendix A-1(g)] [Plan – Appendix B-1(g)]	Expenses <input type="checkbox"/> may <input checked="" type="checkbox"/> may not . . .
[SD]	be reimbursed by use of electronic payment cards under the Health Care Flexible Spending Account or the Limited Health Care Flexible Spending Account.
Advance Reimbursement of Orthodontia Expenses [Plan – Appendix A-1(i)] [Plan – Appendix B-1(i)]	Expenses incurred for orthodontia care . . . <input type="checkbox"/> will <input checked="" type="checkbox"/> will not . . .
[SD]	be reimbursed in advance under the Health Care Flexible Spending Account or the Limited Health Care Flexible Spending Account.
Individual Health Premium Account [Plan – Appendix D-2(c)]	Individual Health Coverage includes the following types of coverage: <input checked="" type="checkbox"/> N/A – the Individual Health Premium Account is not included in the Plan. <input type="checkbox"/> major medical coverage <input type="checkbox"/> dental coverage <input type="checkbox"/> vision coverage <input type="checkbox"/> specialty health coverage, including hospital and fixed indemnity coverage, specific disease or illness coverage, cancer coverage, organ transplant coverage, etc. <input type="checkbox"/> Medicare Part B and/or Part D coverage <input type="checkbox"/> Medicare supplement coverage <input type="checkbox"/> Other:
[SD]	If Medicare and/or Medicare supplement coverage are elected, premiums for such coverage may be reimbursed only as provided in the Plan document.
Electronic Payment Card [Plan – Appendix D-3(c)]	Expenses <input checked="" type="checkbox"/> N/A – the Individual Health Premium Account is not included in the Plan. <input type="checkbox"/> may <input type="checkbox"/> may not . . .
[SD]	be reimbursed by use of electronic payment cards under the Individual Health Premium Account.

**Individual Health Premium
Payment Feature**
[Plan – Appendix E-2(c)]

[SD]

Individual Health Coverage includes the following types of coverage:

- N/A – the Individual Health Premium Payment Feature is not included in the Plan.
- dental coverage
- vision coverage
- specialty health coverage, including hospital and fixed indemnity coverage, specific disease or illness coverage, cancer coverage, organ transplant coverage, etc.
- Other:

**Individual Health Premium
Payment Feature**
[Plan – Appendix E-2(c)]

[SD]

Individual Health Coverage is available only from:

- N/A – the Individual Health Premium Payment Feature is not included in the Plan.
- AFLAC
- Other:

Annual Election Period:

[SD]

The “Annual Election Period” for each year is the calendar month preceding the initial effective date of the Plan and the month of December thereafter.

Employer Identification No.

[SD]

The Employer’s Federal Employer Identification Number (assigned by the IRS for tax purposes) is: 41-6007644.

FLEXIBLE BENEFITS PLAN
MASTER PLAN DOCUMENT

Note: This Flexible Benefits Plan Master Plan document describes all Flexible Benefits Plan provisions administered by the claims administrator. Some of the Flexible Benefits Plan provisions described in this document may not apply to your Plan. Consult the Plan Information Appendix to this document to see which provisions of this document apply to your Plan. If you have any questions, contact the claims administrator.

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FLEXIBLE BENEFITS PLAN

ARTICLE I

GENERAL

Sec. 1.1 Name of Plan. The name of the plan set forth herein is specified in the Plan Information Appendix. It is sometimes herein referred to as the “Flexible Benefits Plan” or the “Plan”.

Sec. 1.2 Purpose. The purpose of the Plan is to furnish employees an opportunity to receive certain statutory nontaxable benefits provided by Employer in lieu of taxable Compensation or other statutory nontaxable fringe benefits. The Plan is intended to be a cafeteria plan under Section 125 of the Internal Revenue Code, so that the benefits a Participant elects to receive under the Plan will be eligible for exclusion from the Participant’s gross income under Section 125(a) of the Code.

Sec. 1.3 Effective Date. The “Effective Date” of the Plan is the date as of which the Plan was established and is specified in the Plan Information Appendix. If the Plan is amended and restated as set forth herein, the effective date of the amended and restated Plan is specified in the Plan Information Appendix.

Sec. 1.4 Rules of Construction. The Plan is intended to be a cafeteria plan under Section 125 of the Internal Revenue Code. The Plan shall be administered and construed consistent with said intent. It shall also be construed and administered according to the laws of the state listed in the Plan Information Appendix, to the extent that such laws are not preempted by the laws of the United States of America. Because it is sponsored by a governmental entity, neither this Plan, nor any portion of this Plan, is an employee welfare benefit plan under the Employee Retirement Income Security Act of 1974, as from time to time amended (“ERISA”). All references herein to the “Internal Revenue Code” or the “Code” are to the Internal Revenue Code of 1986 as from time to time amended. The Plan shall be construed in accordance with the following rules:

- (a) This document, plus its appendices (including the Plan Information Appendix), are intended to constitute the Plan document required by the Code.
- (b) Headings at the beginning of articles and sections hereof are for convenience of reference, shall not be considered a part of the text of the Plan, and shall not influence its construction.
- (c) Capitalized terms used in the Plan shall have the meaning defined in the Plan unless the context clearly indicates to the contrary.
- (d) Any references to the masculine gender include the feminine and vice versa.
- (e) Use of the words “hereof”, “herein”, “hereunder”, or similar compounds of the word “here” shall mean and refer to the entire Plan unless the context clearly indicates to the contrary.
- (f) The provisions of the Plan shall be construed as a whole in such manner as to carry out the provisions hereof and shall not be construed separately without relation to the context.

ARTICLE II

DEFINITIONS

Sec. 2.1 Account. An “Account” or “Accounts” shall be established for each Participant by the Employer. Each Account shall be credited as provided in Article IV, and shall be decreased by benefit payments and distributions to the Participant under Article IV and under the Appendices. Accounts are for bookkeeping purposes only and are not required to be set aside from the other assets of the Employer. The following Accounts will be established, if specified in the Plan Information Appendix, for a Participant:

- (a) A Health Care Flexible Spending Account for reimbursement of medical expenses under Appendix A.
- (b) A Limited Health Care Flexible Spending Account for reimbursement of dental and vision expenses and Post-Deductible Expenses under Appendix B.
- (c) A Dependent Care Flexible Spending Account for reimbursement of dependent care expenses under Appendix C.
- (d) An Individual Health Premium Account for reimbursement of individual health coverage premiums under Appendix D.

Sec. 2.2 Benefit Plan. “Benefit Plan” means a plan sponsored by the Employer consisting of an insurance or similar program, health maintenance organization, trust fund, or direct payment arrangement maintained by the Employer for the purpose of providing certain specified medical, dental or other welfare benefits for employees, and their dependents. The Benefit Plans for which premiums may be paid under the Plan shall be identified in the Plan Information Appendix.

Sec. 2.3 Compensation. “Compensation” means earned income, salary, wages, fees, commissions, overtime, bonuses, tips, and all other earnings of a Participant, reportable on Form W-2 for the Plan Year, including amounts contributed by a Qualified Employee to the Plan, but excluding all other contributions to any other plan sponsored by the Employer and all other forms of compensation.

Sec. 2.4 Election. If a Participant chooses to participate in one or more Benefit Plans, any portion of the premium payments not paid by the Employer will be paid pursuant to Sec. 4.1, unless the Participant signs a waiver instructing the Employer to deduct such premiums on an after-tax basis. If the Individual Health Premium Payment Feature is applicable as specified in the Plan Information Appendix, any Premium for the Individual Health Coverage (as defined in Appendix E) will be paid pursuant to Sec. 4.1, unless the Participant signs a waiver instructing the Employer to deduct such premiums on an after-tax basis. If Health Savings Account contributions are permitted under the Plan, as specified in the Plan Information Appendix, a Participant also may file an Election to contribute to a Health Savings Account under Sec. 4.5. During each applicable Election Period, a Participant may file an Election designating the Account credits under Sec. 4.3 desired by the Participant. Elections shall be subject to the following rules:

- (a) The Election shall be in writing on a form provided by the Employer, shall be filed with the Employer, and shall specifically indicate the amounts to be allocated to each Account of the Participant. An Election meeting the requirements of the Plan and not inconsistent with its terms shall be irrevocable after the last day of the Election Period in which it is filed, subject to any changes made in a new Election filed in a subsequent Election Period in accordance with Sec. 2.5(a).

- (b) Except as provided in subsection (c) below, an Election filed in an annual Election Period prior to the beginning of a Plan Year shall be effective on the first day of the Plan Year with the deductions effective for each payroll period for purposes of salary reduction credits under Sec. 4.3, unless a new Election is made in an Election Period resulting from a change in the Participant's status as described in Sec. 2.5(a).
- (c) An election filed prior to the beginning of any month to contribute to a Health Savings Account, if Health Savings Account contributions are permitted under the Plan as specified in the Plan Information Appendix, shall be effective on the first day of the month immediately following the date the Election is received.
- (d) An Election filed in an Election Period during a Plan Year pursuant to Sec. 2.5 shall be effective as of the date specified in Sec. 2.5. The Election will be reflected in the Participant's payroll as soon as administratively feasible following the date the Election is filed.
- (e) If a Participant returns from a leave of absence during the calendar year in which the leave began, any Election that was in effect when the leave began shall continue in effect until the next Election Period, with an appropriate adjustment of the amount reimbursable from the Participant's Accounts to reflect any contributions the Participant did not make during the Participant's absence. If the Participant returns from the leave in a subsequent calendar year, the Participant shall be treated as becoming a Qualified Employee again on the date the leave ended and a new Election Period will be provided pursuant to Sec. 2.5(b).

Sec. 2.5 Election Period. The "Election Period" for an Election to have the Employer pay on a pre-tax basis the Participant's share of any premium or cost required for group or individual coverage under Sec. 4.1 or for an Election to have the Employer credit salary reduction credit amounts to the Participant's Accounts under Sec. 4.3 is the period designated by the Employer ending prior to the first day of the Plan Year. The "Election Period" for Health Savings Account contributions, if they are permitted under the Plan, as specified in the Plan Information Appendix, is the month preceding the month in which the Participant wishes to make a contribution under Sec. 4.5.

In addition, the following are Election Periods:

- (a) If any of the following special election events occur during the Plan Year with respect to a Participant, then the 30-day period immediately following the date the event occurs, or such other time period as may be specified below, shall be an Election Period for said Participant with respect to the remainder of the Plan Year and, if elected in the Plan Information Appendix, the corresponding Grace Period:
 - (1) Benefit Plan, Individual Health Premium Account, and Individual Health Premium Payment Feature Elections. The following events that occur during the Plan Year are special election events that permit a change in the Participant's Benefit Plan, Individual Health Premium Account, and Individual Health Premium Payment Feature Elections for the remainder of the Plan Year:
 - (A) Change in Status Events. The following change in status events permit a Participant to change his or her Benefit Plan, Individual Health Premium Account, or Individual Health Premium Payment Feature Election if the change is on account of and consistent with the change in status and the event affects the Participant's or the Participant's Spouse's or Tax

Dependent's eligibility or possible eligibility for coverage under this Plan, a Benefit Plan or any other health care flexible spending account, medical plan, dental plan or other health plan providing health coverage pursuant to Code Section 105 that is sponsored by the Employer or the Participant's Spouse's or Tax Dependent's employer:

- (i) The Participant legally marries (under applicable state and federal law).
 - (ii) The Participant divorces, or legally separates from, his or her Spouse, or has his or her marriage to his or her Spouse annulled.
 - (iii) The Spouse or a Tax Dependent of the Participant dies.
 - (iv) The Participant gains or loses a Tax Dependent (e.g., a child is born to, adopted by, or placed for adoption with the Participant, a child of the Participant dies).
 - (v) The Participant's Spouse or Tax Dependent becomes employed or ceases to be employed.
 - (vi) The Participant or the Participant's Spouse or Tax Dependent has a change in terms and conditions of employment or has a reduction or increase in hours of employment, including a change from part-time to full-time status or vice versa, taking or returning from an unpaid leave of absence, or a strike or lock-out.
 - (vii) A Tax Dependent of the Participant becomes or ceases to be eligible for coverage as a result of a change in age, student status, or other similar circumstances.
 - (viii) The Participant or the Participant's Spouse or Tax Dependent has a change in place of residence or worksite.
- (B) HIPAA Special Enrollment Rights. The Participant may change his or her Benefit Plan, Individual Health Premium Account, or Individual Health Premium Payment Feature Elections consistent with an enrollment in a Benefit Plan under the special enrollment provisions of the Health Insurance Portability and Accountability Act.
- (C) COBRA Continuation Coverage. The Participant may increase his or her salary reduction contributions to pay any additional premium as a result of Participant, Spouse or Tax Dependent becoming eligible for continuation coverage under the Employer's Benefit Plan pursuant to Sections 2201 through 2208 of the Public Health Services Act or any similar state statute, so long as the Participant remains eligible to participate in the Plan.
- (D) Support Order. The Participant, or the Plan if the Participant does not take the required action, may add coverage in accordance with a judgment, decree or order resulting from a divorce, legal separation,

annulment or change in legal custody that requires coverage for a Participant's child or for a foster child who is a Tax Dependent of the Participant. The Participant may eliminate coverage for a child if a judgment, decree or order resulting from a divorce, legal separation, annulment or change in legal custody requires that coverage of that child be provided by an individual other than the Participant and that coverage is in fact provided.

- (E) Change in Medicare or Medicaid Entitlement. The Participant may change his or her coverage Election consistent with a change in entitlement to Medicare or Medicaid, including a loss of entitlement, by the Participant or the Participant's Spouse or Tax Dependent.
- (F) Change in Other Coverage. The Participant may change his or her coverage Elections if: (i) a group health plan or Code Section 125 cafeteria plan covering the Participant's Spouse or Tax Dependent permits a change in health coverage at a time other than an Election Period under this Plan as a result of a change in status event as described in subparagraph (a)(1)(A), a general enrollment period, or another change in coverage permitted by the applicable Treasury Regulations; (ii) the Spouse or Tax Dependent elects a change in coverage; and (iii) the Participant's change in coverage under this Plan is on account of and consistent with the change in the Spouse's or Tax Dependent's coverage.
- (G) Change in Cost or Coverage Options. An Election Period shall be deemed to have occurred, resulting in a new Election for the remainder of the Plan Year automatically adjusting the Participant's salary reduction contributions during the Plan Year, or commencement of salary reduction contributions in an appropriate manner in the case of a Qualified Employee who had not previously elected to participate, in any of the following circumstances:
 - (i) The premium under any Benefit Plan or the "Individual Health Coverage" (as defined in Appendix D or E) is significantly increased during the Plan Year and the Participant elects to continue the existing coverage, elects coverage under another Benefit Plan or Individual Health Coverage with similar coverage, or elects no Benefit Plan coverage or Individual Health Coverage if no similar coverage is available.
 - (ii) The premium under any Benefit Plan or Individual Health Coverage is significantly decreased during the Plan Year and the Participant or Qualified Employee elects coverage under that Benefit Plan or Individual Health Coverage.
 - (iii) The premium under any Benefit Plan or Individual Health Coverage is increased or decreased during the Plan Year by an insignificant amount.
 - (iv) The coverage under a Benefit Plan or Individual Health Coverage is significantly curtailed during the Plan Year and the

Participant elects to receive, on a prospective basis, coverage under another plan with similar coverage.

- (v) The coverage under a Benefit Plan or Individual Health Coverage ceases during the Plan Year and the Participant either elects to receive, on a prospective basis, coverage under another Benefit Plan or Individual Health Coverage with similar coverage or elects no Benefit Plan coverage or Individual Health Coverage if no similar coverage is available.
 - (vi) A new coverage option is added to a Benefit Plan, a new Individual Health Coverage option is added under the Plan or an existing coverage option is significantly improved, and the Participant or Qualified Employee elects that new coverage option.
- (H) Loss of group health coverage sponsored by a governmental or educational institution. The Participant may change his or her Benefit Plan, Individual Health Premium Account, and Individual Health Premium Payment Feature Elections consistent with a loss of coverage by the Participant or the Participant's Spouse or Tax Dependent under any group health coverage sponsored by a governmental or educational institution.
- (I) Family and Medical Leave Act. A Participant taking leave under the Family and Medical Leave Act may change his or her Benefit Plan Election as provided by that Act and applicable regulations or rulings thereunder.
- (2) Health Care Flexible Spending Account and Limited Health Care Flexible Spending Account Elections. The following events that occur during the Plan Year are special election events that permit a change in the Participant's Health Care Flexible Spending Account Election or Limited Health Care Flexible Spending Account Election for the remainder of the Plan Year and, if elected in the Plan Information Appendix, the corresponding Grace Period, provided that any such Election may not reduce the total amount to be credited to the Participant's Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account for the Plan Year to less than the amount of eligible expenses incurred by the Participant prior to the effective date of the new Election.
- (A) Change in Status Events. The change in status events listed in subparagraph (a)(1)(A) also apply to allow a Participant to change his or her Health Care Flexible Spending Account Election or Limited Health Care Flexible Spending Account Election if the change is on account of and consistent with the change in status and the event affects the Participant's or the Participant's Spouse's or Tax Dependent's eligibility or possible eligibility for coverage under this Plan, a Benefit Plan or any other health care flexible spending account, medical plan, dental plan or other health plan providing health coverage pursuant to Code Section 105 that is sponsored by the Employer or the Participant's Spouse's or

Tax Dependent's employer. Notwithstanding the foregoing, the change in Election must not violate the risk shifting characteristics of the Health Care Flexible Spending Account or the Limited Health Care Flexible Spending Account.

- (B) Support Order. The Participant may increase coverage in accordance with a judgment, decree or order resulting from a divorce, legal separation, annulment or change in legal custody that requires coverage for a Participant's child or for a foster child who is a Tax Dependent of the Participant. The Participant may decrease coverage if a judgment, decree or order resulting from a divorce, legal separation, annulment or change in legal custody requires that coverage of a child be provided by an individual other than the Participant and that coverage is in fact provided.
 - (C) Change in Medicare or Medicaid Entitlement. The Participant may change his or her coverage Election consistent with a change in entitlement to Medicare or Medicaid, including a loss of entitlement, by the Participant or the Participant's Spouse or Tax Dependent.
 - (D) HIPAA Special Enrollment Rights. The Participant may change his or her coverage Election consistent with any special enrollment rights under the Health Insurance Portability and Accountability Act ("HIPAA"), provided the Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account is subject to the portability provisions of HIPAA.
 - (E) Family and Medical Leave Act. A Participant taking leave under the Family and Medical Leave Act may change his or her coverage Election as provided by that Act and applicable regulations or rulings thereunder.
- (3) Dependent Care Flexible Spending Account Election. The following events are special election events that permit a change in the Participant's Dependent Care Flexible Spending Account Election for the remainder of the Plan Year.
- (A) Change in Status Events. The change in status events listed in subparagraph (a)(1)(A) also apply to allow a Participant to change his or her Dependent Care Flexible Spending Account Election if the change is on account of and consistent with the change in status and the event affects the cost of dependent care expenses described in Code Section 129. In addition, the following special rules apply to Dependent Care Flexible Spending Account Elections:
 - (i) For purposes of the change in status events, "Tax Dependent" refers to a "Qualifying Individual" as defined in Appendix C.
 - (ii) An election change is consistent with a change in status if the event affects the eligibility of the Participant or the Participant's Spouse or Qualifying Individual for coverage under the Plan.

- (B) Change in Other Coverage. The Participant may change his or her dependent care Election if: (i) a Code Section 125 cafeteria plan covering the Participant's Spouse or Qualifying Individual permits a change in dependent care elections at a time other than an Election Period under this Plan as a result of a change in status event as described in subparagraph (a)(1)(A), a general enrollment period, or another change in coverage permitted by the applicable Treasury Regulations; (ii) the Spouse or Qualifying Individual elects a change in coverage; and (iii) the Participant's change in coverage under this Plan is on account of and consistent with the change in the Spouse's or Qualifying Individual's coverage.
- (C) Change in Cost or Coverage Options. The Participant may change his or her dependent care Election in either of the following circumstances:
- (i) The cost of dependent care is significantly increased or decreased during the Plan Year by a dependent care provider who is not a relative of the Participant and the Participant either elects to continue the existing dependent care or elects a new provider.
 - (ii) The Participant elects to change dependent care providers or elects not to have a dependent care provider and the cost of dependent care increases or decreases.
- (4) Any Election may be changed with respect to any Benefit Plan or Account pursuant to any other event so recognized under applicable Federal regulations.
- (5) Any such election during the period described above must be consistent with the change in status resulting from the event described above. The Employer will not accept any election during said Election Period which it deems to be inconsistent with the change in status. Furthermore, the Employer will not accept any election regarding credits to a Participant's Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account which would reduce the total number of credits to the Account for the Plan Year below the amount of benefit payments to the Participant that have been made with respect to such Account previously during that Plan Year.
- (6) If Health Savings Account contributions are permitted under the Plan, as specified in the Plan Information Appendix, a Participant may start or stop an Election to contribute to a Health Savings Account or increase or decrease the Election at any time as long as the change is effective prospectively. Because the eligibility requirements and contribution limits for Health Savings Accounts are determined on a monthly as opposed to a Plan Year basis, the change in status events listed in subsections (a)(1), (a)(2), and (a)(3) above do not apply to Participant contributions to Health Savings Accounts.
- (7) Elections as a result of birth or adoption are effective as of the date of the event. All other Elections under this Section are effective as of the date of the Election, generally, the date the Election form is signed. The change in the Election will be reflected in the Participant's payroll as soon as administratively feasible following the date the Election is filed. For the effective dates described in this

subsection to apply, the Election must be filed within thirty (30) days of the event.

- (b) If any of the following situations apply to an employee, an Election Period will be provided for that employee as follows:
 - (1) With respect to an individual who becomes a Qualified Employee with the Employer during a Plan Year, the Election Period for that Plan Year shall be the thirty (30) days preceding the entry date specified in the Plan Information Appendix or, if the entry date is the date on which an individual becomes a Qualified Employee, the thirty (30) days following the entry date. Such individual is eligible to participate in the Plan on the entry date specified in the Plan Information Appendix. Notwithstanding the foregoing, a newly hired Qualified Employee will be eligible to participate in the Plan retroactively on the date of hire provided the election procedures are followed. In such case, salary reduction contributions to pay for coverage during the period preceding the Election to participate shall be taken prospectively from compensation paid following the Election.
 - (2) If a Participant returns from an unpaid leave of absence in a subsequent calendar year, or is rehired as a Qualified Employee, either in a subsequent calendar year or in the same calendar year but more than thirty (30) days following his or her Termination of Employment, the Participant shall be treated as becoming a Qualified Employee again on the date the leave ended or the rehire occurred and a new Election Period will be provided pursuant to paragraph (1), except that the Election Period will not end earlier than thirty (30) days after the date the individual again became a Qualified Employee. If the Participant returns from the leave during the calendar year in which the leave began, or is rehired within thirty (30) days of the date of his or her Termination of Employment and in the same calendar year in which the Termination of Employment occurred, any Election that was in effect when the absence began shall continue in effect until the next Election Period, with an appropriate adjustment of the amount reimbursable from the Participant's Accounts to reflect any contributions not made by the Participant during the period of absence.
- (c) The Election Period under subsection (a) or (b) may be extended by the Employer for a Participant upon showing that the Participant's failure to meet the deadline was the result of good cause and was not the fault of the Participant.

Sec. 2.6 Employer. The "Employer" is specified in the Plan Information Appendix.

Sec. 2.7 Grace Period. The "Grace Period" is the two (2) month and fifteen (15) day period following the end of the Plan Year. The Grace Period, if elected in the Plan Information Appendix, applies to the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account. The Grace Period does not apply to the Dependent Care Flexible Spending Account or the Individual Health Premium Account.

Sec. 2.8 Health Savings Account. A "Health Savings Account" means a Health Savings Account established under Code Section 223.

Sec. 2.9 Participant. A "Participant" is an individual described as such in Article III.

Sec. 2.10 Participating Employer. “Participating Employer” means any governmental entity that is affiliated with the Employer and that is designated by the Employer in the Plan Information Appendix as covered by this Plan. When referred to in Secs. 2.1, 2.2, 2.3, 2.5, 2.14, 2.17, 3.2, 4.2, 4.3, 4.5, 4.6, 4.7, 4.10, 4.11, and 4.13 of the Plan, the term “Employer” includes all Participating Employers, if any. Participating Employers are designated in the Plan Information Appendix.

Sec. 2.11 Plan Administrator. “Plan Administrator” means the Employer.

Sec. 2.12 Plan Year. A “Plan Year” is the 12-consecutive-month period (except in cases of a short Plan Year) commencing on the date specified in the Plan Information Appendix and is the year on which records of the Plan are kept.

Sec. 2.13 Post-Deductible Expenses. Medical Expenses (as defined in Appendix A), which are incurred after the minimum annual deductible under Code Section 223(c)(2)(A)(i) is satisfied.

Sec. 2.14 Qualified Employee. An employee of the Employer is a “Qualified Employee” for each payroll period that the employee meets the eligibility requirements specified in the Plan Information Appendix, subject to the following:

- (a) Eligibility of employees in a collective bargaining unit to participate in the Plan shall be subject to negotiations with the representative of the unit. During any period that an employee is covered by the provisions of a collective bargaining agreement between the Employer and such representative, the employee shall not be considered a Qualified Employee unless such agreement provides coverage for such employee under the Plan. For purposes of this Section only, such an agreement shall be deemed to continue after its formal expiration during collective bargaining negotiations pending the execution of a new agreement.
- (b) A leased employee within the meaning of Code Section 414(n)(2) is not a Qualified Employee.
- (c) A nonresident alien within the meaning of Code Section 7701(b)(1)(B) while not receiving earned income (within the meaning of Code Section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code Section 861(a)(3)) is not a Qualified Employee.
- (d) An employee is not a Qualified Employee unless his or her services are performed within the continental United States (including Alaska) or Hawaii, or the principal base of operations to which the employee frequently returns is within the continental United States (including Alaska) or Hawaii.
- (e) Notwithstanding anything herein to the contrary, an individual is not a Qualified Employee during any period during which the individual is classified by the Employer as an independent contractor or as any other status in which the person is not treated as a common law employee for purposes of withholding of taxes, or is treated as an employee of another entity who is leased to the Employer, regardless of the correct legal status of the individual. The previous sentence applies to all periods of such service of an individual who is subsequently reclassified as an employee, whether the reclassification is retroactive or prospective.
- (f) If an employee’s employment status changes from a Qualified Employee to a non-Qualified Employee position, the employee shall cease to be a Qualified Employee as of the date the employee is no longer a Qualified Employee. If an employee’s employment

status changes from a non-Qualified Employee position to a Qualified Employee position, the employee shall be a Qualified Employee as of the date the change in employment status takes place.

Sec. 2.15 Spouse. “Spouse” means an individual who is (a) legally married to a Participant (under applicable state law), and (b) treated as a “Spouse” under the Code and the Defense of Marriage Act.

Sec. 2.16 Tax Dependent. “Tax Dependent” means an individual (other than the Participant and the Participant’s Spouse) with respect to whom amounts expended for medical care are excluded from the Participant’s gross income under Section 105(b) of the Code, as amended.

Sec. 2.17 Termination of Employment. The “Termination of Employment” of an employee for purposes of the Plan shall be deemed to occur upon the employee’s resignation, discharge, retirement, death, failure to return to active work at the end of an authorized leave of absence or the authorized extension or extensions thereof, failure to return to work when duly called following a temporary layoff, or upon the happening of any other event or circumstance which, under the policy of the Employer results in the termination of the employer-employee relationship.

ARTICLE III

PARTICIPATION

Sec. 3.1 Participation. Each person who is a Qualified Employee shall become a Participant on the effective date of any Election filed during an Election Period to have premiums paid by salary reduction under Sec. 4.1, to have credits made by salary reduction to one or more Accounts under Sec. 4.3, or, if Health Savings Account contributions are permitted under the Plan, as specified in the Plan Information Appendix, to have contributions made to a Health Savings Account under Sec. 4.5.

Sec. 3.2 Enrollment Procedures. To become a Participant, the individual must complete the proper forms required by the Employer and must file the forms with the Employer, or must follow such other enrollment procedures as the Employer may require. Any Election under this Plan must be made during an Election Period and shall be effective as described in Sec. 2.4 and 2.5. An individual who does not enroll during his first Election Period under Sec. 2.5(b) may not enroll as a Participant until the next applicable Election Period.

Sec. 3.3 Cessation of Participation. A person shall cease to be a Participant as of the earliest of (i) the date the Participant has a Termination of Employment, (ii) the date the Participant ceases to be a Qualified Employee, or (iii) the effective date of any election by the Participant to terminate all salary reductions under Secs. 4.1, 4.3, and 4.5; provided that, if elected in the Plan Information Appendix, participation will cease under (i) or (ii) on the last day of the month in which the Participant has a Termination of Employment or ceases to be a Qualified Employee, as the case may be. If a Participant ceases to be a Qualified Employee during the Plan Year, that will not prevent him/her from filing a claim for reimbursement of eligible expenses incurred during the portion of a Plan Year prior to the date on which he/she ceased to be an Eligible Employee, plus, in the case of the Dependent Care Flexible Spending Account and the Individual Health Premium Account, eligible expenses incurred during the remaining portion of the Plan Year, to the extent a balance then exists in his/her Account. Such a claim shall be subject to the same rules as apply under this Plan to claims submitted after the end of a Plan Year by Participants. If a Participant ceases to be a Qualified Employee during the corresponding Grace Period for a Plan Year, if elected under the Plan Information Appendix, that will not prevent him/her from filing a claim for reimbursement for eligible expenses incurred under the Health Care Flexible Spending Account or the Limited Health Care Flexible Spending Account during the Plan Year or the corresponding Grace Period, to the extent a balance exists in his/her Account, provided he/she was a Qualified Employee on the last day of the Plan Year. Terminated employees have until the date on or before the ninetieth (90th) day following the Termination of Employment to submit claims incurred while a Participant under the Health Care Flexible Spending Account or the Limited Health Care Flexible Spending Account. Terminated employees have until the date on or before the ninetieth (90th) day following the end of the Plan Year including the Termination of Employment to submit claims incurred under the Dependent Care Flexible Spending Account and the Individual Health Premium Account.

ARTICLE IV

CREDITS AND ACCOUNTS

Sec. 4.1 Salary Reduction Contributions to Pay Group Premiums. During an Election Period, unless the Participant signs a waiver instructing the Employer to pay the premiums on an after-tax basis, each Participant automatically elects to have the Employer pay on a pre-tax basis the Participant's share of any premium or cost required for group coverage which the Participant has elected under any Benefit Plan, to the extent such cost is not covered by Employer credits pursuant to Sec. 4.2 if any, and (ii) the Participant's premium for individual coverage obtained under the Individual Health Premium Payment Feature. The Participant's Compensation shall be reduced by an amount equal to the amount paid by the Employer on the Participant's behalf under this Section.

Sec. 4.2 Employer Credits. If specified in the Plan Information Appendix, the Employer may grant a credit to each Participant for purposes of selecting among the benefits available under the Plan for each period during the Plan Year. Prior to each Plan Year, the Employer shall determine the dollar amount of the credits, if any, that it will make available to Participants under this Plan during the Plan Year. The dollar amount of the credits may vary for different classes of employees as determined in the sole discretion of the Employer. Employer credits are subject to the following:

- (a) The Employer credits for the period specified in the Plan Information Appendix shall become available for use under the Plan as of the date specified in the Plan Information Appendix.
- (b) No amounts shall be credited to a Participant after his or her Termination of Employment, or, if earlier, after he or she ceases to be a Qualified Employee.
- (c) The Employer credits shall first be used to pay for the cost for the Participant's coverage elected, if any, under the Benefit Plans. The balance remaining shall next be allocated among the other benefits available under the Plan (e.g., the Accounts), as specified in the Participant's Election. Finally, if any credits remain, the balance shall be handled in accordance with the Plan Information Appendix. If the Participant fails to file an Election, the credits shall be paid to the Participant in cash, subject to any restrictions specified in the Plan Information Appendix. Amounts that a Participant elects to receive or is deemed to have elected to receive in cash shall be paid to the Participant on a pro-rata basis over the course of the Plan Year in substantially equal installments. Such payments will be added to the Participant's paycheck and are fully taxable as additional compensation. Cash payments shall be made only to Participants. If a Participant ceases to be a Qualified Employee, then cash payments cease.
- (d) Employer credits that are not used to reimburse eligible expenses incurred during the Plan Year may be used to reimburse eligible expenses incurred under the Health Care Flexible Spending Account or the Limited Health Care Flexible Spending Account during the corresponding Grace Period, if a Grace Period is available under the Plan, as specified in the Plan Information Appendix.

Sec. 4.3 Salary Reduction Credits to Accounts. During an Election Period, each Participant may elect to have the Employer credit, if any, and salary reduction credit amounts to the Participant's Accounts by entering into an Election on a form prescribed by and filed with the Employer, subject to the following:

- (a) The Election shall specify the dollar amounts to be allocated to each of the Participant's Accounts for the Plan Year, and shall state the allocation of Employer credits, if any, and

salary reduction credits. The Participant's Compensation for the Plan Year will be reduced by the amount of salary reduction credits the Participant elects to have credited to his Accounts under the Plan.

- (b) Following an election, the Participant's Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account shall be credited with the full amount allocated by the Participant to his or her Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account for the entire Plan Year, which amount shall not exceed the dollar amount specified in the Plan Information Appendix. The Participant's Compensation shall be reduced in each payroll period by an amount equal to a pro rata share of the Participant's annual allocation of salary reduction credits to the Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account.
- (c) The Participant's Dependent Care Flexible Spending Account shall be credited in each payroll period with a pro rata share of the Participant's annual allocation to the Dependent Care Flexible Spending Account. A Participant's annual allocation to the Dependent Care Flexible Spending Account shall not exceed \$5,000, or lesser amount specified in Appendix C, for any Plan Year. The Participant's Compensation shall be reduced in each payroll period by an amount equal to the amount of salary reduction credits credited to the Participant's Dependent Care Flexible Spending Account during that payroll period.
- (d) The Participant's Individual Health Premium Account shall be credited in each payroll period with a pro rata share of the Participant's annual allocation to the Individual Health Premium Account. The Participant's Compensation shall be reduced in each payroll period by an amount equal to the amount of salary reduction credits credited to the Participant's Individual Health Premium Account during that payroll period.
- (e) Subject to subsection (e), the Election shall be irrevocable for the Plan Year; provided, however, that during an Election Period described in Sec. 2.5(a) the Participant may enter into a new Election for the remainder of the Plan Year. Any such new Election which increases or decreases the amount credited, or to be credited during the remainder of the Plan Year, to the Participant's Accounts must be consistent with the change in status described in Sec. 2.5(a).
- (f) No amount shall be credited after an employee ceases to be a Participant, except to the extent the Participant is eligible for, and has elected, continuation coverage as described in Section 4.10. Notwithstanding the foregoing, if participation in the Plan extends to the last day of the month in which a Termination of Employment, if necessary, additional salary reduction contributions shall be taken from the Participant's final pay check to pay for the coverage provided during the period of time following the date on which the Participant's employment terminates.

Sec. 4.4 Imputation of Income.

- (a) Coverage of non-Tax Dependents. To the extent a Participant elects coverage under a Benefit Plan for a dependent who is not the Participant's Spouse or Tax Dependent, the Plan Administrator may require the Participant to pay the cost of coverage for which the Participant is responsible on an after-tax basis up to the amount of the fair market value of the coverage provided to such dependent. To the extent the cost of coverage for which the Participant is responsible exceeds that fair market value, the remaining cost of coverage may be paid pre-tax through this Plan. To the extent the cost of coverage for which the Participant is responsible is less than that fair market value, the excess of the fair market value over the after-tax payments shall be imputed as income to the Participant as the coverage is provided. In the alternative, the Plan Administrator may not require the Participant to pay the cost of coverage on an after-tax basis. In that case, the entire cost of coverage for the Benefit Plan for which the Participant is responsible shall be paid on a pre-tax basis through this Plan and the fair market value of the coverage for such dependent shall be imputed as income to the Participant as the coverage is provided (in accordance with the regulations under Section 125 of the Code). This imputation of income shall occur regardless of whether the cost of coverage is paid by salary reduction or allocation of available Employer credits.
- (b) Group Term Life. The cost of group term life coverage on the Participant's life paid by the Employer will not be included in the Participant's gross income to the extent the face amount of the insurance contract(s) does not exceed \$50,000, except as provided in Section 4.11. If the face amount of the insurance contract(s) exceeds \$50,000, and the cost of the coverage is paid by the Employer, the value of the coverage in excess of \$50,000 shall be imputed to the Participant as income in accordance with Section 79 of the Code and the regulations thereunder. For purposes of this limitation, coverage paid by the Participant on a pre-tax basis is considered "paid by the Employer." Under no circumstances shall the coverage on the life of persons covered through the Participant (e.g., the Participant's Spouse or children) be paid through this Plan.

Sec. 4.5 Contributions to Health Savings Account.

- (a) Salary Reduction. A Participant may elect to have the Employer credit pre-tax salary reduction credit amounts to a Health Savings Account, if specified in the Plan Information Appendix.
- (b) Employer Credits. A Participant may also elect to have Employer credits contributed to a Health Savings Accounts through this Plan, if specified in the Plan Information Appendix.
- (c) Employer Contributions. The Employer may also make direct contributions to an Employee's Health Savings Account, which will be deemed to have been made through this Plan for purposes of the comparable contribution rules applicable under Code Section 223 and the nondiscrimination requirements applicable to this Plan, if specified in the Plan Information Appendix.

Contributions to Health Savings Account are limited as provided in Code Section 223. The documents governing the Health Savings Account, including the trust or custodial agreement, set forth the terms of such account. The Employer may specify the Health Savings Account trustee or custodian to which contributions under the Plan will be contributed. To be eligible for Health Savings Account contributions, the Participant must: (1) be covered by a qualifying high deductible health plan (as that term is defined in Code Section 223); (2) not be claimed as another person's dependent for purposes of such person's federal income tax return; (3) not be covered by Medicare; and (4) not have any health coverage other than permitted insurance, permitted coverage, or qualifying high deductible health plan coverage (as those terms are defined in Code Section 223). A Participant who has elected to contribute to the Health Care Flexible Spending Account under Appendix A for a Plan Year is not eligible to contribute salary reduction or Employer credits to, or receive Employer contributions to, a Health Savings Account during any month of the calendar year starting or ending in that Plan Year or the corresponding Grace Period, if elected in the Plan Information Appendix. Notwithstanding the foregoing, a Participant otherwise eligible to participate in a Health Savings Account, who has a Health Care Flexible Spending Account under Appendix A with a Grace Period, and whose Health Care Flexible Spending Account has a balance of zero at the end of the Plan Year, will be eligible to contribute salary reduction or Employer credits to, or receive Employer contributions to, a Health Savings Account beginning with the first month following the end of the Plan Year. A Participant contributing to, or receiving Employer contributions to, a Health Savings Account may participate in the Limited Health Care Flexible Spending Account under Appendix B but may not contribute to the Health Care Flexible Spending Account under Appendix A.

Sec. 4.6 Payment of Premiums and Allocation to Accounts. In accordance with a Participant's Election filed during an Election Period, the Employer shall pay the cost of coverage under the Benefit Plan, if any, contribute to a Health Savings Account, if specified in the Plan Information Appendix, and record an Account or Accounts, if any, for each Participant to which amounts are credited under Sec. 4.3 as designated by the Participant's Election, subject to the following:

- (a) During each Election Period, the Participant shall designate the Account or Accounts to which the amount available pursuant to Secs. 4.2, if any, and 4.3 shall be credited. If amounts are to be credited to more than one Account, the Participant shall also designate the dollar amount to be credited to each Account. No more than the dollar amount specified in the Plan Information Appendix may be credited in any Plan Year to the Participant's Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account and no more than \$5,000, or any lesser amount specified in Appendix C, may be credited in any year to the Participant's Dependent Care Flexible Spending Account.
- (b) Amounts that are allocated to a Dependent Care Flexible Spending Account or an Individual Health Premium Account pursuant to subsection (a) shall be credited to the Dependent Care Flexible Spending Account or an Individual Health Premium Account as of the day that the wages or salary, which were foregone in lieu of the amount to be credited, would otherwise have been paid. The full amount that is allocated to a Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account for the entire Plan Year shall be credited to the Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account as of the first day of the Plan Year or, if participation in the Plan begins after the first day of the Plan Year, the first day of the Participant's participation in the Plan.
- (c) Amounts credited to Accounts are for bookkeeping purposes only. A Participant's claim against the Employer for benefits from the Participant's Accounts is that of a general creditor and is not secured. No assets relating to such Accounts are segregated from other assets of the Employer. No interest or other earnings shall be credited to or with

respect to any Account. Nothing in this Plan is intended to require the establishment of a trust.

- (d) If any amounts remain credited to an Account after the last day of the Plan Year or, if elected in the Plan Information Appendix, the last day of the corresponding Grace Period, the credit balance shall be cancelled; provided, however, that benefit payments for reimbursement of expenses incurred on or before the last day of the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period, may be charged against amounts credited on said date if a claim for reimbursement is filed with the Plan Administrator (or its designee) on or before the ninetieth (90th) day following the end of the Plan Year. Terminated Participants must submit claims for expenses incurred before their termination on or before the ninetieth (90th) day following the date on which participation terminates.

Sec. 4.7 Payments Charged Against Accounts. Payments under Appendix A, B, C, or D to the Plan shall be charged against the amounts credited to the appropriate Account for the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period in which the reimbursable expense is incurred, subject to the following:

- (a) Payments may not exceed the amount credited to the Participant's Account at the time the payments are made. Benefits for eligible expenses incurred in one Plan Year may not be paid with respect to amounts credited to another Plan Year; except that, eligible expenses incurred during the Grace Period, if elected in the Plan Information Appendix, that corresponds with the Plan Year will be eligible for reimbursement pursuant to the terms of the Plan. If a Participant incurs an expense during a Plan Year that coincides with a Grace Period, the Participant shall be responsible for indicating in the appropriate section of the claim reimbursement form whether the claim relates to the current Plan Year or the Grace Period for the prior Plan Year.
- (b) The Plan Administrator requires the Participant to verify expenses for which the Participant is seeking payment or reimbursement in any manner that the Plan Administrator deems appropriate. The Plan Administrator shall have the authority to review expenses submitted for reimbursement and to make the final decision whether a particular benefit claim is eligible for reimbursement by the Plan. However, the Plan Administrator may also delegate such questions to an independent review agency such as an insurance company or other service provider.
- (c) Claims may be submitted at any time. Payments will be made as soon as administratively possible upon receipt of the claim.
- (d) The Employer shall make payments to the Participant.

Sec. 4.8 Termination of Participation. Any balance remaining in a Participant's Accounts after he ceases to be a Participant and after all benefits to which he is entitled have been paid shall be forfeited.

Sec. 4.9 Payments Following a Participant's Death. The Plan Administrator shall apply amounts credited to a deceased Participant's Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account for the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period in which his death occurred to pay eligible expenses incurred during the portion of the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period prior to the Participant's death. The Plan Administrator shall apply amounts credited to a deceased Participant's Dependent Care Flexible Spending Account and Individual Health Premium Account for the Plan Year in which his death occurred to pay eligible expenses incurred during the Plan Year, whether

incurred before or after the Participant's death. Any amount remaining in the Accounts with respect to that Plan Year after such reimbursements have been made shall be forfeited.

Sec. 4.10 Continuation Coverage. The Plan shall provide any continuation of Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account coverage that may be required by Sections 2201 through 2208 of the Public Health Services Act ("PHSA"), or the regulations thereunder, provided that the Participant pays to the Employer on an after-tax basis the cost of any such coverage in effect following the qualifying event. For purposes of providing continuation coverage, coverage under the Health Care Flexible Spending Account or the Limited Health Care Flexible Spending Account is deemed to be available only to the Participant for reimbursement of the Participant's medical expenses, which may include medical expenses of the Participant's Spouse and Tax Dependents, and is deemed not to be available to the Participant's Spouse or Tax Dependent children. If the Health Care Flexible Spending Account and/or the Limited Health Care Flexible Spending Account is eligible for the special limited continuation coverage obligation under Treasury Regulation Section 54.4980B-2, Q/A-8, continuation coverage shall end not later than the last day of the Plan Year or, if elected in the Plan Information Appendix, the last day of the Grace Period in which the qualifying event under PHSA Sections 2201 through 2208 occurred, and shall be provided only if the Participant's Health Care Flexible Spending Account or Limited Health Care Flexible Spending Account has a positive balance on the date the qualifying event occurred, taking into account all eligible expenses incurred prior to that date, whether or not a claim has been submitted prior to that date. No such continuation of coverage is provided with respect to a Dependent Care Flexible Spending Account or the Individual Health Premium Account. The Plan shall also provide any continuation of coverage that may be required by the Uniformed Services Employment and Reemployment Act of 1994 ("USERRA"), provided that the Participant pays to the Employer the appropriate portion of the cost of that coverage pursuant to applicable federal regulations. The Plan Administrator shall, within the parameters of the law, establish uniform policies by which to provide such continuation coverage.

Sec. 4.11 Discrimination Prohibited. The Plan shall not be operated in such a manner as to discriminate in favor of highly compensated individuals or Participants, and shall be operated in compliance with any applicable Internal Revenue Service regulations regarding such discrimination, including, but not limited to the provisions of Code Sections 79, 105(h), 125, and 129. The Plan Administrator reserves the right to change (1) Plan provisions regarding limitations on benefit availability or (2) Elections to the extent such changes are required to avoid such discrimination. In the event that Elections by highly compensated employees for credits to Dependent Care Flexible Spending Accounts would cause the limits of Code Section 129(d)(8) to be exceeded for a Plan Year, the Plan Administrator shall reduce the credits for that year for such individuals, beginning with the highest dollar amount of credit, to the extent necessary to satisfy said limits. If a Participant has already received benefits with respect to credits that are to be reduced pursuant to the previous sentence, such benefits shall be treated as taxable income to the Participant.

Sec. 4.12 Family and Medical Leave Act. The Plan shall also provide any continuation of coverage that may be required by the Family and Medical Leave Act of 1993 (“FMLA”), provided the Employer is subject to FMLA. Any continuation of coverage required under the FMLA shall be provided in accordance with the Employer’s FMLA policy, which is hereby incorporated by reference.

Sec. 4.13 Provision of Protected Health Information to the Employer. The privacy provisions of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) described in this Section are effective for this Plan on April 14, 2004 (or the required compliance date for this Plan, if different).

- (a) **Permitted Uses and Disclosures.** In accordance with HIPAA and the applicable regulations issued and effective thereunder (the “HIPAA Privacy Rules”), the Plan may disclose Protected Health Information (“PHI”) (as defined in 45 C.F.R. Section 160.103) related to the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account to the Employer in order for the Employer to carry out Plan administration functions that the Employer performs consistent with the provisions of subsections (b), (c), and (d) below. The Plan may not:
- (1) Disclose or permit an insurance company, insurance service, insurance organization, or HMO to disclose PHI to the Employer unless the HIPAA Privacy notice covering the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account contains a statement describing such disclosure.
 - (2) Disclose PHI to the Employer for the purpose of employment-related actions or decisions or in connection with any other benefit or employee benefit plan of the Employer, unless otherwise authorized by the individual who is the subject of the PHI or required by the HIPAA Privacy Rules.
- (b) **Conditions of Disclosure.** The Plan may disclose PHI related to the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account to the Employer as described in subsection (a) only upon receipt of a certification by the Employer that the Plan has been amended to incorporate the following provisions and only if the Employer agrees to:
- (1) Not use or further disclose the PHI other than as permitted or required by the Plan’s controlling documents or as required by law.
 - (2) Ensure that any agents, including a subcontractor, to whom it provides PHI shall agree to the same restrictions and conditions that apply to the Employer with respect to such PHI.
 - (3) Not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer.
 - (4) Report to the Plan any use or disclosure of the PHI that is inconsistent with the uses or disclosures provided herein, if and when the Employer becomes aware of such inconsistent use or disclosure.
 - (5) Authorize the Plan to make PHI available to individuals, in accordance with HIPAA Privacy Rules and consistent with the HIPAA Privacy policy applicable

to the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account.

- (6) Authorize the Plan to make PHI available to individuals for amendment and to incorporate into PHI any such amendments, in accordance with the HIPAA Privacy Rules and consistent with the HIPAA Privacy policy applicable to the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account.
 - (7) Authorize the Plan to make available the information required to provide an accounting of disclosures, in accordance with the HIPAA Privacy Rules and consistent with HIPAA Privacy policy applicable to the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account.
 - (8) Make its internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining the Plan's compliance with the HIPAA Privacy Rules.
 - (9) If feasible, return or destroy all PHI that the Employer received from the Plan and which the Employer no longer needs for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, the Employer shall limit further uses and disclosures to those purposes that make the return or destruction of the PHI infeasible.
 - (10) Ensure that the adequate separations described in subsection (c) below are established.
- (c) Adequate Separations. The Employer shall ensure that the following adequate separations are established between the Plan and the Employer:
- (1) Only the privacy officer and other persons under the control of the Employer and specifically designated by the Employer shall be given access to PHI related to the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account (the "Group").
 - (2) Access to and use of PHI by the Group shall be restricted to the Plan administration functions that the Employer performs for the Plan's Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account.
 - (3) Non-compliance by the Group shall be resolved by applying the disciplinary measures specified in the Plan's HIPAA Privacy sanctions procedures.

- (d) Security of Electronic Protected Health Information. Effective April 21, 2006 (or the required compliance date for this Plan, if different) and in accordance with the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Sections 160 and 164, the Employer agrees to reasonably and appropriately safeguard Electronic Protected Health Care Information (“EPHI”) (as defined in 45 C.F.R. Section 160.103) created, received, maintained or transmitted to or by the Employer on behalf of Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account and shall:
- (1) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that it creates, receives, maintains or transmits on behalf of the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account.
 - (2) Ensure that the separations described in subsection (c) above are supported by reasonable and appropriate security measures.
 - (3) Ensure that any agent, including a subcontractor, to whom it provides EPHI agrees to implement reasonable and appropriate security measures to protect EPHI.
 - (4) Report to the Health Care Flexible Spending Account and the Limited Health Care Flexible Spending Account any security incident of which it becomes aware.

ARTICLE V

PLAN ADMINISTRATION

Sec. 5.1 Duties of the Plan Administrator. The Plan shall be administered and interpreted by the Plan Administrator. In carrying out its Plan responsibilities, the Plan Administrator shall have full discretionary authority to make any and all factual determinations necessary to determine eligibility for benefits or the amount of any benefits and full discretionary authority to construe the terms of the Plan. It is intended that the Plan Administrator have discretion to the fullest extent permitted by law and that the Plan Administrator's exercise of its discretion be given deference to the greatest extent allowed under the law. This discretion includes, but is not limited to, the authority to adopt any rules, regulations, forms, or computations that the Plan Administrator deems necessary to administer the Plan. The Plan Administrator may delegate its duties to one or more officers or employees of the Employer, or to individuals or entities independent of the Employer. The Plan Administrator shall establish a claims procedure pursuant to which claims under the Plan shall be determined.

Sec. 5.2 Liability of Administrative Personnel. Neither the Plan Administrator nor any of its employees shall be liable for any loss due to an error or omission in the administration of the Plan unless the loss is due to gross negligence or willful misconduct of the party to be charged or is due to the failure of the party to be charged to exercise a fiduciary responsibility with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims.

Sec. 5.3 Plan Not a Contract of Employment. The Plan is not an employment agreement and does not assure the continued employment of any employee or Participant for any time or period.

Sec. 5.4 Plan Benefits are Unsecured. No Participant shall, by virtue of the Plan, have any interest in any specific asset or assets of the Employer. A Participant has only an unsecured contract right to receive payments in accordance with the Plan.

Sec. 5.5 Plan Benefits May Not Be Assigned. No Participant may assign, pledge, or otherwise dispose of any benefit under the Plan prior to actual receipt thereof, unless a Benefit Plan specifically allows such assignment.

Sec. 5.6 Tax Consequences. The Employer does not make any representation or guarantee to any Participant or dependent that any amounts deducted from a Participant's pay or benefits paid under this Plan will be excludable from the Participant's gross income for federal or state income or other tax purposes, or that any particular federal or state treatment will apply to the Participant. Each Participant is solely responsible for determining whether payments under this Plan are excludable from the Participant's gross income for federal and state income tax purposes, and shall notify the Employer if the Participant has reason to believe that any such payment is not excludable.

Sec. 5.7 Indemnification of the Employer by Participants. If a Participant receives any payment under this Plan that is not excludable from gross income for tax purposes, the Participant shall reimburse the Employer for any liability it may incur due to failure to withhold federal or state income taxes or FICA taxes from such payment, but not to exceed the amount of taxes the Participant would have owed if this Plan did not exist.

ARTICLE VI

AMENDMENT AND TERMINATION

Sec. 6.1 Amendment and Termination. The Employer, or its authorized representative, may amend or terminate this Plan at any time by action of its governing body. Such amendment or termination shall be made in writing. Such amendment or termination shall not affect any right to benefits that accrued prior to such amendment. For example, if the Plan is terminated, any amounts credited to Accounts on the date of termination with respect to a Participant shall be applied to pay eligible expenses incurred before the termination date. Any balance remaining after all such payments have been made shall be forfeited.

IN WITNESS WHEREOF, the Employer, through its duly authorized officer, hereby executes

- the Plan
- the amendment and restatement of the Plan

as set forth herein this ____ day of _____, _____, effective as of the date specified herein.

Employer

By: _____

Its: _____

APPENDIX A

HEALTH CARE FLEXIBLE SPENDING ACCOUNT

A-1 Benefits. Participants who contribute to Health Savings Accounts, or have contributions made on their behalf, during any month of the taxable year starting or ending in the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period are not eligible to participate in this Appendix A for that Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period, but may elect to participate in Appendix B. Participants who elect to participate in Appendix B are not eligible to participate in this Appendix A. A Participant is entitled to reimbursement from the Participant's Health Care Flexible Spending Account for Medical Expenses incurred during the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period on behalf of the Participant or the Participant's Spouse or Tax Dependents, subject to the following:

- (a) "Medical Expense" means expenses for medical care, including dental care, as defined in Code Section 213, but only to the extent such expenses are not reimbursed by insurance or from some other source; provided, however, that "Medical Expenses" shall not include the expense of premiums for accident or health insurance. "Medical Expenses" also shall not include expenses for cosmetic procedures. As a condition to receiving benefits under the Plan, a Participant shall make every reasonable effort to obtain reimbursement of medical expenses from other available sources. "Medical Expenses" covered by the Plan includes ambulance or other transportation costs essential to medical care but does not include other transportation costs. Effective January 1, 2011, over-the-counter drugs and medicines shall be "Medical Expenses" only if they are prescribed as required by Section 106(f) of the Code.
- (b) "Spouse" means an individual who is: (i) legally married to a Participant (under applicable state law), and (ii) treated as a "Spouse" under the Code and the Defense of Marriage Act. Medical Expenses with respect to a Spouse shall cease to be considered the Participant's Medical Expenses upon the dissolution of marriage to the Participant, except to the extent such expenses were incurred prior to the date of dissolution.
- (c) "Tax Dependents" means an individual (other than the Participant and the Participant's Spouse) with respect to whom amounts expended for medical care are excluded from the Participant's gross income under Section 105(b) of the Code, as amended.
- (d) Medical Expenses incurred during the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period, by the Participant, the Participant's Spouse, or the Participant's Tax Dependents prior to the date the individual becomes a Participant under the Plan shall not be eligible for reimbursement under the Plan. Expenses are considered to be "incurred" when the service giving rise to the expense is rendered.
- (e) A Participant shall not be entitled to reimbursement for Medical Expenses incurred during a particular Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period, except to the extent there are amounts credited to the Participant's Account for that Plan Year against which benefit payments may be charged pursuant to Sec. 4.7. In any event, no more than the dollar amount specified in the Plan Information Appendix may be reimbursed to a Participant for a Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period.
- (f) Claims for reimbursement of Medical Expenses incurred during a Plan Year or, if elected in Appendix D, the corresponding Grace Period, must be submitted to the Plan

Administrator, or its designee, by ninety (90) days following the end of the Plan Year or, if earlier, within ninety (90) days following the date on which participation ends.

- (g) Claims under this Appendix shall be made in accordance with rules established by the Plan Administrator. In addition, if elected in the Plan Information Appendix, claims for reimbursement may be made by use of an electronic payment card, subject to the following conditions:
- (1) The electronic payment card may be used only while a Participant is employed by the Employer.
 - (2) The balance of the electronic payment card shall be limited to the amount in the applicable Participant's reimbursement-type account(s).
 - (3) A Participant must certify in writing prior to issuance of the electronic payment card that:
 - (i) the electronic payment card will be used only for eligible expenses that have not been reimbursed under any other plan covering similar benefits; and
 - (ii) the Participant will not seek reimbursement for any expense paid with the electronic payment card under any other plan covering benefits.
- The electronic payment card shall include a statement providing that each use of the card shall constitute a reaffirmation of the certification.
- (4) For eligible expenses, the electronic payment card may be used only at merchants who are health care providers (e.g., doctor's office, hospital, etc.) or other merchants identified in applicable IRS guidance.
 - (5) Each time the electronic payment card is used, a Participant shall obtain and retain a third party statement from the health care provider containing the information necessary to substantiate that the expense paid by the card was an eligible expense.
 - (6) Claims (other than claims subject to paragraph (7) below) shall be substantiated in one of the following manners:
 - (i) The Participant shall provide, upon request by the Plan Administrator (or its designee), the third party statement with respect to the claim.
 - (ii) For eligible expenses, the payment was made to a merchant who is a health care provider and it matches a specific co-payment the Participant has under a group medical or group dental plan sponsored by the Employer or a multiple of that co-payment of not more than five (5) times the dollar amount of the co-payment.
 - (iii) For eligible expenses, the payment was made to a merchant who is a health care provider and is for an expense with the same amount, duration, and health care provider as a previously approved expense under this Plan.

- (iv) For eligible expenses, the payment was made to a merchant who is a health care provider and the electronic claim file with respect to the expense is accompanied by an electronic or written confirmation from the health care provider that identifies the nature of the expense and verifies that the expense is an eligible expense.
 - (v) For eligible expenses, the electronic payment card is used at a merchant (of any kind) that participates in an inventory information approval system developed by the card provider that verifies, at the time of purchase, that the goods being purchased constitute medical care. Effective January 1, 2011, the substantiation described in this paragraph (v) shall not be applicable with respect to the purchase of over-the-counter drugs and medicines other than insulin.
- (7) Claims for over-the-counter drugs and medicines (other than insulin) shall be substantiated in accordance with IRS Notice 2011-5 and/or other applicable IRS guidance.
 - (8) A Participant shall repay the Plan for a payment with respect to any claim not substantiated (and therefore not eligible for reimbursement) as required above. The Plan shall handle unsubstantiated claims as required under the Code and applicable regulations.
 - (9) The use of an electronic payment card does not constitute a “claim” under the claims procedures.
- (h) A Participant may request, in writing on a form provided by the Plan Administrator, a “Qualified Reservist Distribution” from the Participant’s Health Care Flexible Spending Account if: (1) the Participant is a member of the Army National Guard, the Army Reserve, the Navy Reserve, the Marine Corps Reserve, the Air National Guard, the Air Force Reserve, the Coast Guard Reserve, or the Reserve Corps of the Public Health Service; and (2) the Participant has been ordered or called to active duty for either (i) at least 180 days, or (ii) an indefinite period of time. Such request must be made on or after the date of the order or call to active duty and before the last day of the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period. A copy of the order or call to duty must accompany the form. The amount available to the Participant as a Qualified Reservist Distribution shall be the amount contributed to the Health Care Flexible Spending Account as of the date of the request minus any reimbursements of Medical Expenses provided under the Health Care Flexible Spending Account as of that date. Such distributions shall be included in the Participant’s taxable income and shall be subject to normal wage withholding requirements to the extent required by law. If a balance remains in the Participant’s account following the Qualified Reservist Distribution, the Participant may continue to submit claims for reimbursement.

- (i) Notwithstanding the rule that the Health Care Flexible Spending Account shall reimburse only Medical Expenses incurred during the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period, pursuant to and in accordance with the regulations under Code Section 125, if elected in the Plan Information Appendix, the Plan may reimburse Medical Expenses for orthodontia care in advance.

APPENDIX B

LIMITED HEALTH CARE FLEXIBLE SPENDING ACCOUNT

B-1 Benefits. Participation in this Appendix B for each Plan Year and, if elected in the Plan Information Appendix, the corresponding Grace Period is limited to Participants who contribute to Health Savings Accounts, or have contributions made on their behalf (or have a Spouse who contributes to a Health Savings Account or has contributions made on his/her behalf), during any month of the taxable year starting or ending in the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period. Participants who elect to participate in Appendix A are not eligible to participate in this Appendix B. A Participant is entitled to reimbursement from the Participant's Limited Health Care Flexible Spending Account for Medical Expenses incurred during the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period on behalf of the Participant or the Participant's Spouse or Tax Dependents, subject to the following:

- (a) "Medical Expense" means expenses for dental and vision care expenses and Post-Deductible Expenses, but only to the extent such expenses constitute permitted coverage within the meaning of Code Section 223(c), Rev. Rule 2004-45, and other applicable IRS guidance, and such expenses are not reimbursed or reimbursable by insurance or from some other source; provided, however, that "Medical Expenses" shall not include the expense of premiums for accident or health insurance. "Medical Expenses" also shall not include expenses for cosmetic procedures. As a condition to receiving benefits under the Plan, a Participant shall make every reasonable effort to obtain reimbursement of dental and vision expenses as well as Post-Deductible Expenses from other available sources. Effective January 1, 2011, over-the-counter drugs and medicines shall be "Medical Expenses" only if they are prescribed as required by Section 106(f) of the Code.
- (b) "Spouse" means an individual who is: (i) legally married to a Participant (under applicable state law), and (ii) treated as a "Spouse" under the Code and the Defense of Marriage Act. Medical Expenses with respect to a Spouse shall cease to be considered the Participant's Medical Expenses upon the dissolution of marriage to the Participant, except to the extent such expenses were incurred prior to the date of dissolution.
- (c) "Tax Dependents" means an individual (other than the Participant and the Participant's Spouse) with respect to whom amounts expended for medical care are excluded from the Participant's gross income under Section 105(b) of the Code, as amended.
- (d) Medical Expenses incurred during the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period by the Participant, the Participant's Spouse, or the Participant's Tax Dependents prior to the date the individual becomes a Participant under the Plan shall not be eligible for reimbursement under the Plan. Expenses are considered to be "incurred" when the service giving rise to the expense is rendered.
- (e) A Participant shall not be entitled to reimbursement for Medical Expenses incurred during a particular Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period, except to the extent there are amounts credited to the Participant's Account for that Plan Year against which benefit payments may be charged pursuant to Sec. 4.7. In any event, no more than the dollar amount specified in Appendix D may be reimbursed to a Participant for a Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period.

- (f) Claims for reimbursement of Medical Expenses incurred during a Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period, must be submitted to the Plan Administrator, or its designee, by ninety (90) days following the end of the Plan Year or, if earlier, within ninety (90) days following the date on which participation ends.
- (g) Claims under this Appendix shall be made in accordance with rules established by the Plan Administrator. In addition, if elected in the Plan Information Appendix, claims for reimbursement may be made by use of an electronic payment card, subject to the following conditions:
 - (1) The electronic payment card may be used only while a Participant is employed by the Employer.
 - (2) The balance of the electronic payment card shall be limited to the amount in the applicable Participant's reimbursement-type account(s).
 - (3) A Participant must certify in writing prior to issuance of the electronic payment card that:
 - (i) the electronic payment card will be used only for eligible expenses that have not been reimbursed under any other plan covering similar benefits; and
 - (ii) the Participant will not seek reimbursement for any expense paid with the electronic payment card under any other plan covering benefits.

The electronic payment card shall include a statement providing that each use of the card shall constitute a reaffirmation of the certification.

- (4) For eligible expenses, the electronic payment card may be used only at merchants who are health care providers (e.g., doctor's office, hospital, etc.) or other merchants identified in applicable IRS guidance.
- (5) Each time the electronic payment card is used, a Participant shall obtain and retain a third party statement from the health care provider containing the information necessary to substantiate that the expense paid by the card was an eligible expense.
- (6) Claims (other than claims subject to paragraph (7) below) shall be substantiated in one of the following manners:
 - (i) The Participant shall provide, upon request by the Plan Administrator (or its designee), the third party statement with respect to the claim.
 - (ii) For eligible expenses, the payment was made to a merchant who is a health care provider and it matches a specific co-payment the Participant has under a group medical or group dental plan sponsored by the Employer or a multiple of that co-payment of not more than five (5) times the dollar amount of the co-payment.
 - (iii) For eligible expenses, the payment was made to a merchant who is a health care provider and is for an expense with the same amount,

duration, and health care provider as a previously approved expense under this Plan.

- (iv) For eligible expenses, the payment was made to a merchant who is a health care provider and the electronic claim file with respect to the expense is accompanied by an electronic or written confirmation from the health care provider that identifies the nature of the expense and verifies that the expense is an eligible expense.
 - (v) For eligible expenses, the electronic payment card is used at a merchant (of any kind) that participates in an inventory information approval system developed by the card provider that verifies, at the time of purchase, that the goods being purchased constitute medical care. Effective January 1, 2011, the substantiation described in this paragraph (v) shall not be applicable with respect to the purchase of over-the-counter drugs and medicines other than insulin.
- (7) Claims for over-the-counter drugs and medicines (other than insulin) shall be substantiated in accordance with IRS Notice 2011-5 and/or other applicable IRS guidance.
 - (8) A Participant shall repay the Plan for a payment with respect to any claim not substantiated (and therefore not eligible for reimbursement) as required above. The Plan shall handle unsubstantiated claims as required under the Code and applicable regulations.
 - (9) The use of an electronic payment card does not constitute a “claim” under the claims procedures.
- (h) A Participant may request, in writing on a form provided by the Plan Administrator, a “Qualified Reservist Distribution” from the Participant’s Limited Health Care Flexible Spending Account if: (1) the Participant is a member of the Army National Guard, the Army Reserve, the Navy Reserve, the Marine Corps Reserve, the Air National Guard, the Air Force Reserve, the Coast Guard Reserve, or the Reserve Corps of the Public Health Service; and (2) the Participant has been ordered or called to active duty for either (i) at least 180 days, or (ii) an indefinite period of time. Such request must be made on or after the date of the order or call to active duty and before the last day of the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period. A copy of the order or call to duty must accompany the form. The amount available to the Participant as a Qualified Reservist Distribution shall be the amount contributed to the Limited Health Care Flexible Spending Account as of the date of the request minus any reimbursements of Medical Expenses provided under the Limited Health Care Flexible Spending Account as of that date. Such distributions shall be included in the Participant’s taxable income and shall be subject to normal wage withholding requirements to the extent required by law. If a balance remains in the Participant’s account following the Qualified Reservist Distribution, the Participant may continue to submit claims for reimbursement.
 - (i) Notwithstanding the rule that the Limited Health Care Flexible Spending Account shall reimburse only Medical Expenses incurred during the Plan Year or, if elected in the Plan Information Appendix, the corresponding Grace Period, pursuant to and in accordance with the regulations under Code Section 125, if elected in the Plan Information Appendix, the Plan may reimburse Medical Expenses for orthodontia care in advance.

APPENDIX C

DEPENDENT CARE ASSISTANCE PLAN

C-1 Purpose. This Appendix C constitutes a separate written dependent care assistance plan under Code Section 129. Its purpose is to provide Participants with dependent care assistance which meets the requirements of Code Section 129(d)(2) through (7).

C-2 Definitions. The following defined terms are used in this Appendix C:

- (a) “Qualifying Individual” has the meaning of that term assigned by Code Section 21(b)(1) and the regulations thereunder and includes “Type A Qualifying Individuals” and “Type B Qualifying Individuals”.
- (b) “Type A Qualifying Individual” means an individual who is under age thirteen (13) and who is a qualifying child within the meaning of Section 152.
- (c) “Type B Qualifying Individual” means any Dependent other than a Type A Qualifying Individual of the Participant, or any Spouse of the Participant, who is physically or mentally incapable of caring for himself or herself, and who has the same principal abode as the taxpayer for more than one half of the taxable year.
- (d) A “Dependent” of the Participant is any person defined as such under Code Section 152, determined without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B).
- (e) “Employment-Related Expenses” has the meaning assigned to that term by Code Section 21(b)(2) and the regulations thereunder. Employment-Related Expenses includes only expenses incurred to enable the Participant to be gainfully employed during any period during which the Participant has one or more Qualifying Individuals. Employment-Related Expenses includes the following expenses for household services and for care of a Qualifying Individual:
 - (1) All such expenses incurred within the Participant’s household.
 - (2) All such expenses, subject to the last sentence of this paragraph (e), incurred outside the Participant’s household for the care of a Type A Qualifying Individual or for the care of a Type B Qualifying Individual who regularly spends at least eight (8) hours a day in the Participant’s household.

Any expenses incurred for services provided outside the Participant’s household by a Dependent Care Center which provides care for more than six (6) individuals, excluding individuals who reside there, shall be included as Employment-Related Expenses only if the Dependent Care Center complies with all applicable state and local laws and regulations.

- (f) “Dependent Care Center” means any facility outside the Participant’s household which receives a fee, payment or grant for providing services for any of the individuals, regardless of whether the facility is operated for profit.
- (g) “Spouse” means an individual who is: (i) legally married to a Participant (under applicable state law), and (ii) treated as a “Spouse” under the Code and the Defense of Marriage Act.

C-3 Benefits. A Participant is entitled to reimbursement for Employment-Related Expenses the Participant has incurred during the Plan Year, subject to the following:

- (a) Employment-Related Expenses incurred during the Plan Year by the Participant prior to the date the Participant becomes a Participant under the Plan shall not be eligible for reimbursement under the Plan. Such Expenses shall be considered to be incurred at the time the service is rendered which gives rise to the expense.
- (b) A Participant shall not be reimbursed for Employment-Related Expenses incurred during a particular Plan Year except to the extent there are amounts credited to the Participant's Dependent Care Flexible Spending Account for that Plan Year against which reimbursements may be charged pursuant to Sec. 4.7.
- (c) A Participant shall not be reimbursed for amounts paid to any of the following individuals for dependent care services rendered by such individual: (i) a child of the Participant who has not attained age nineteen (19) as of the close of the taxable year in which the child performed services; (ii) a Dependent of the Participant with respect to whom a deduction under Code Section 151(c) is allowable to the Participant or the Participant's Spouse for the taxable year in which the Dependent performed services, (iii) an individual who is the Spouse of the Participant at any time during the taxable year; or (iv) the parent of the Participant's child who is a Qualifying Individual.
- (d) The amount of benefits paid to a Participant during the taxable year shall not exceed the lesser of \$5,000 (\$2,500 in the case of a Participant who is a married individual filing a separate tax return) or whichever of the following limitations is applicable:
 - (1) In the case of a Participant who is not married at the close of the taxable year, the Compensation paid to the Participant for that taxable year, reduced by any salary reduction under this Plan.
 - (2) In the case of a Participant who is married on the last day of the taxable year, the lesser of (i) the amount in (1) above or (ii) the "earned income" of the employee's Spouse for such taxable year (as defined in Code Section 32(c)(2)) other than any amount paid by an employer for dependent care assistance under this or any other Plan. However, for each month that the Spouse is a full-time student at an educational institution or is incapable of caring for himself or herself the Spouse will be deemed to have earned income of not less than whichever of the following amounts is applicable:
 - (A) \$250, if there is one Qualifying Individual with respect to the Participant during that taxable year.
 - (B) \$500, if there are two or more Qualifying Individuals with respect to the Participant during that taxable year.
- (e) Claims for reimbursement of Employment-Related Expenses incurred during the Plan Year must be submitted to the Plan Administrator, or its designee, within ninety (90) days following the end of the Plan Year.
- (f) Claims under this Appendix shall be made in accordance with rules established by the Plan Administrator.

- (g) With the exception of two parents who file income taxes jointly, only one person is entitled to treat the child as a Qualifying Individual for the purpose of dependent care flexible spending account programs. Where multiple people are involved, there are two special rules to determine which person is entitled to treat the child as a Qualifying Individual.
- (1) Divorced or Separated Parents, or Parents Living Apart. If a child's parents are divorced, legally separated, separated pursuant to a written agreement, or live apart at all times during the last six (6) months of the calendar year, a special rule applies if: (i) the child is under age 13 or is mentally or physically unable to care for himself or herself; (ii) the child receives more than 50% of his or her support from the parents (in aggregate); and (iii) the child resides with the parents (in aggregate) for more than 50% of the year. In such situations, the child is the Qualifying Individual of the custodial parent even if the custodial parent has released the right to claim the child as a dependent. The custodial parent is the parent identified in Section 152(e) of the Code (i.e., generally the parent with whom the child resides for the greater number of nights during the calendar year or, if the child resides with both parents for an equal number of nights, the parent with the higher adjusted gross income for the year).
 - (2) Two or More Persons Claiming a Child as a Qualifying Individual. If the special rule described above regarding divorce, etc. does not apply, the special tie-breaker rules of Section 152(c)(4) of the Code may apply. If an individual is a qualifying child (as defined in Section 152 of the Code) with respect to more than one person, then:
 - (i) If both persons are the individual's parents and they file a joint federal income tax return, the child is the Qualifying Individual of both parents.
 - (ii) If both persons are the individual's parents and they file separate federal income tax returns, then the child is the Qualifying Individual of the parent with whom the child resided for the longest period of time during the calendar year (or, if child resides with both parents for the same amount of time during the year, the parent with the highest adjusted gross income for the year). However, if that parent (i.e., the custodial parent or the parent with the highest adjusted gross income) does not claim the child as a qualifying child (as defined in Section 152 of the Code) for any purpose (i.e., a dependent care expense reimbursement program, the earned income credit, the dependency deduction, the child tax credit, and the dependent care credit), then the child is the Qualifying Individual of the other parent (i.e., the non-custodial parent or the parent with the lowest adjusted gross income). This is the one person that is entitled to treat the child as a Qualifying Individual.
 - (iii) If one person is the individual's parent and the other is not, the child is the Qualifying Individual of the parent. However, if the parent does not claim the child as a qualifying child (as defined in Section 152 of the Code) for any purpose (i.e., a dependent care expense reimbursement program, the earned income credit, the dependency deduction, the child tax credit, and the dependent care credit), then the child is the Qualifying Individual of the other person (i.e., the non-parent). This is the one person that is entitled to treat the child as a Qualifying Individual.
 - (iv) If neither person is the individual's parent, the child is the Qualifying Individual of the person with the highest adjusted gross income for the

year in question. However, if that person does not claim the child as a qualifying child (as defined in Section 152 of the Code) for any purpose (i.e., a dependent care expense reimbursement program, the Earned Income credit, the dependency deduction, the child tax credit, and the dependent care credit), then the child is the Qualifying Individual of the other person (i.e., the person with the lowest adjusted gross income). This is the one person that is entitled to treat the child as a Qualifying Individual.

APPENDIX D

INDIVIDUAL HEALTH PREMIUM ACCOUNT

D-1 Purpose. This Appendix D constitutes a separate written plan for purposes of Sections 105 and 106 of the Code. Its purpose is to provide the opportunity for reimbursement of Premiums for Individual Health Coverage under this Plan.

D-2 Definitions. The following defined terms are used in this Appendix D:

- (a) “Dependent” means an individual who qualifies as a “dependent” under the terms and conditions of the Individual Health Coverage.
- (b) “Premium” means the amount that must be paid on a periodic basis in return for Individual Health Coverage.
- (c) “Individual Health Coverage” means: (1) coverage under an individual insurance policy of the type specified in the Plan Information Appendix obtained by a Participant from an insurance carrier, and (2) if specified in the Plan Information Appendix, for Participants who are not eligible for coverage under a group medical plan sponsored by the Employer, coverage under Medicare Parts B and D and a Medicare supplement policy. Notwithstanding the foregoing, an insurance policy providing benefits that may not be provided by a cafeteria plan under Section 125 of the Code (e.g., deferred compensation) does not constitute Individual Health Coverage.
- (d) “Individual Health Premium Account” means the record keeping account established by the Plan Administrator for each Plan Year for each Participant from whom an Election to create such an account is received.
- (e) “Spouse” means an individual who is (1) legally married to a Participant (under applicable state law), and (2) treated as a “spouse” under the Code and the Defense of Marriage Act.
- (f) “Tax Dependent” means an individual (other than the Participant and the Participant’s Spouse) with respect to whom amounts expended for medical care are excluded from the Participant’s gross income under Section 105(b) of the Code, as amended.

D-3 Benefits. A Participant is entitled to reimbursement for Premiums the Participant has incurred during the Plan Year, subject to the following:

- (a) The Participant shall secure the Individual Health Coverage from the issuer of the coverage (e.g., the insurance carrier). Coverage shall begin, benefits shall be provided, and coverage shall terminate in accordance with the insurance policy governing the Individual Health Coverage. The Individual Health Coverage may include coverage for the Participant’s Spouse and Dependents, in addition to the Participant. To the extent a person covered through the Participant is not a Spouse or Tax Dependent of the Participant, the value of the coverage provided to such person(s) shall be included in the Participant’s income as the coverage is provided.
- (b) A Participant shall not be reimbursed for Premiums incurred during a particular Plan Year except to the extent there are amounts credited to the Participant’s Individual Health

Premium Account for that Plan Year against which reimbursements may be charged pursuant to Sec. 4.7. Under no circumstances will Premium reimbursements be made with contributions from one Plan Year for coverage actually received in a different Plan Year. In no case shall a payment be made which exceeds the balance in the Participant's Individual Health Premium Account at the time claim is processed.

- (c) Claims under this Appendix shall be made in accordance with this paragraph and rules established by the Plan Administrator.
 - (1) If elected in the Plan Information Appendix, claims for reimbursement may be made by use of an electronic payment card, subject to the following conditions:
 - (i) At the beginning of each Plan Year or, if later, upon the Participant's Entry Date, the Participant must pay the initial eligible expense to the insurance carrier and submit a paper claim to the Plan for such expense.
 - (ii) Upon substantiation by the Plan Administrator (or its designee) of the initial eligible expense, the Plan will make available through the electronic payment card an amount equal to the lesser of: (i) the amount of the approved claim, or (ii) the contributions made by or on behalf of the Participant to the Individual Premium Account for the Plan Year to date.
 - (iii) The electronic payment card may then be used to pay for subsequently incurred eligible expenses.
 - (iv) The amount available through the electronic payment card may be increased only as additional eligible expenses are incurred and substantiated via submission of a paper claim, except as provided in paragraph (v) below. In no case will the amount available through the electronic payment card exceed the contributions made by or on behalf of the Participant to the Individual Premium Account for the Plan Year to date minus the amount of expenses previously reimbursed during such Plan Year (whether such reimbursement was made in cash or by crediting the electronic payment card).
 - (v) Eligible expenses may be automatically substantiated without submission of a paper claim only as provided in this paragraph (v). If (i) an electronic payment card transaction collects information that matches information for a previously approved paper claim with respect to the insurance carrier, and (ii) the amount of the electronic payment card transaction is equal to or less than the previously approved paper claim, then the claim paid via the electronic payment card is substantiated without further review. In such instances, the balance of the electronic payment card may be increased with respect to the automatically substantiated claim once the expense paid through the electronic payment card has been incurred.
- (d) Claims for reimbursement of Premiums incurred during the Plan Year must be submitted to the Plan Administrator or its designated agent within ninety (90) days following the end of the Plan Year.

- (e) It is intended that the Premiums reimbursed through this portion of the Plan shall be excluded from the Participant's gross income under Sections 106 and 105 of the Code. It is also intended that any benefits received under the Individual Health Coverage shall be excluded from the recipient's gross income to the extent permitted under Section 105(b) of the Code. With respect to coverage that covers a Dependent other than the Participant's Spouse or Tax Dependent, it is intended that (a) value of the coverage be imputed as taxable income to the Participant, and (b) the value of any benefits received as a result of such coverage be excluded from the recipient's gross income to the extent permitted under Section 104(a)(3) of the Code.
- (f) Notwithstanding anything in the Plan to the contrary, the Plan and the Employer shall comply with Section 4.13 with respect to the Individual Health Premium Account to the extent required by HIPAA.

APPENDIX E

INDIVIDUAL HEALTH PREMIUM PAYMENT FEATURE

E-1 Purpose. This Appendix E constitutes a separate written plan for purposes of Sections 105 and 106 of the Code. Its purpose is to provide the opportunity for pre-tax payment of Premiums for Individual Health Coverage under this Plan.

E-2 Definitions. The following defined terms are used in this Appendix E:

- (a) “Dependent” means an individual who qualifies as a “dependent” under the terms and conditions of the Individual Health Coverage.
- (b) “Premium” means the amount that must be paid on a periodic basis in return for Individual Health Coverage.
- (c) “Individual Health Coverage” means coverage under an individual insurance policy that is obtained by a Participant from the insurance carrier and that meets the requirements identified in the Plan Information Appendix. Notwithstanding the foregoing, an insurance policy providing benefits that may not be provided by a cafeteria plan under Section 125 of the Code (e.g., deferred compensation) does not constitute Individual Health Coverage.
- (d) “Spouse” means an individual who is (1) legally married to a Participant (under applicable state law), and (2) treated as a “spouse” under the Code and the Defense of Marriage Act.
- (e) “Tax Dependent” means an individual (other than the Participant and the Participant’s Spouse) with respect to whom amounts expended for medical care are excluded from the Participant’s gross income under Section 105(b) of the Code, as amended.

E-3 Benefits. A Participant is entitled to pay Premiums incurred during the Plan Year on a pre-tax basis, subject to the following:

- (a) The Participant shall secure the Individual Health Coverage from the issuer of the coverage (e.g., the insurance carrier). Coverage shall begin, benefits shall be provided, and coverage shall terminate in accordance with the insurance policy governing the Individual Health Coverage. The Individual Health Coverage may include coverage for the Participant’s Spouse and Dependents, in addition to the Participant. To the extent a person covered through the Participant is not a Spouse or Tax Dependent of the Participant, the value of the coverage provided to such person(s) shall be included in the Participant’s income as the coverage is provided.
- (b) The amount of Premiums paid under the Individual Health Premium Payment Feature during a particular Plan Year shall not exceed the amount of the Participant’s salary reduction contributions made pursuant to Sec. 4.1. Under no circumstances will Premium payments be made with contributions from one Plan Year for coverage actually received in a different Plan Year.

- (c) The Employer shall pay the Premiums directly to the insurance carrier on an automatic basis in accordance with the rules contained in the Code and the regulations issued thereunder.
- (e) It is intended that the Premiums paid by the Participant through this portion of the Plan shall be excluded from the Participant's gross income under Sections 106 and 105 of the Code. It is also intended that any benefits received under the Individual Health Coverage shall be excluded from the recipient's gross income to the extent permitted under Section 105(b) of the Code. With respect to coverage that covers a Dependent other than the Participant's Spouse or Tax Dependent, it is intended that (a) value of the coverage be imputed as taxable income to the Participant, and (b) the value of any benefits received as a result of such coverage be excluded from the recipient's gross income to the extent permitted under Section 104(a)(3) of the Code.
- (f) Notwithstanding anything in the Plan to the contrary, the Plan and the Employer shall comply with Section 4.13 with respect to the Individual Health Premium Payment Feature to the extent required by HIPAA.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 28, 2012
Agenda Item	Consent F4
Attachment	N/A
Submitted By	Bart Fischer, City Administrator

Item	Designation of 2013 Prosecuting Attorney
Description	<p>Each year the City of Falcon Heights designates a prosecuting attorney. This person works closely with the St. Anthony Police Department and City Staff in prosecuting all misdemeanor and felony level offenses as well as Ordinance Violations. For several years our prosecuting attorney has been Katrina Joseph. She also serves as the attorney for the City of Lauderdale.</p> <p>Staff is recommending that the City Council approve Katrina Joseph and the law firm of Hughes and Costello as the City's prosecuting attorneys for 2013.</p>
Budget Impact	The monthly retainer will not change and has been included in the 2013 operating budget.
Attachment(s)	N/A
Action(s) Requested	Staff recommends that the Falcon Heights City Council approve Katrina Joseph and the law firm of Hughes and Costello as the City's prosecuting attorneys for 2013.



The City That Soars!

REQUEST FOR COUNCIL ACTION

Meeting Date	November 28, 2012
Agenda Item	Consent F5
Attachment	Consultant Services Agreement
Submitted By	Bart Fischer, City Administrator

Item	2013 Housing Resource Center Consultant Services Agreement
Description	The City of Falcon Heights has historically partnered with the Housing Resource Center (HRC) so that our residents have access to resources such as Ramsey County loan funds, scope of service/bid preparation, contractor lists, and numerous other services. The annual cost of this contract continues to be \$2,000. The 2012 consultant services agreement is attached to this report.
Budget Impact	The \$2,000 cost associated with this contract is included in the 2013 operating budget.
Attachment(s)	Consultant Services Agreement
Action(s) Requested	Staff recommends that the Falcon Heights City Council adopt the attached consultant services agreement with the Greater Metropolitan Housing Corporation.

CONSULTANT SERVICES AGREEMENT

THIS IS AN AGREEMENT entered into the ____ day of _____, 20__, by and between the City of Falcon Heights, a Minnesota municipal corporation, (“the City”), and **GREATER METROPOLITAN HOUSING CORPORATION**, a Minnesota non-profit corporation (“Consultant”).

RECITALS

A. The Consultant has a division called The Housing Resource Center (“HRC”). GMHC has agreed to provide certain Services through HRC (as defined below) in connection with the City’s housing program.

B. The City desires to hire the Consultant to render this technical, professional, and marketing assistance in connection with housing programs in the City for the term as set forth in this Agreement.

C. Consultant is willing to provide such services on the terms and conditions set forth herein.

In consideration of the foregoing recitals and following terms, conditions and mutual promises contained herein, the parties agree as follows:

1. **Scope of Services.** The Consultant shall provide services as follows (the “Services”):
 - b. Administer the following home improvement programs for residents of the City of Falcon Heights: MHFA Fix Up Fund, the MHFA Rental Rehab Program, the MHFA Emergency and Accessibility Program and the MHFA Rehabilitation Loan Program (collectively the “MHFA Programs”):
 1. Providing information to residents and property owners about the programs, upon request;
 2. Assist the City in developing procedures for the programs;
 3. Receipt of applications from residents;
 4. Processing applications;
 5. Closing loans to qualified applicants in accordance with the applicable program;
 6. Overseeing the draw process for the funds, including, as necessary, reviewing draws, reviewing the progress of the work and collecting lien waivers and certificates of occupancy. Consultant may, for this purpose, rely on third-party representations and certifications.
 7. Provide monthly reports about the number of loans closed and the balance in each loan program.

- c. Assist City residents considering rehabilitation, including property visits, meet with homeowners and potential contractors, suggest alternatives for rehabilitation to homeowners, educate homeowners on the construction bid process, assist homeowners to evaluate bids and work completed and construction progress.
- d. Provide HRC housing information to City residents, including information on emergency assistance, housing rehabilitation, first time homebuyers and limited rental information;
- e. Assist the City in developing programs to purchase and rehabilitate homes;
- f. Coordinate these services out of Consultant's Housing Resource Center, 1170 Lepak Court, Shoreview, MN 55126; and
- g. Have Consultant's staff visit residences as determined necessary by Consultant.

2. **Term.** This Agreement shall be in full force and effect from January 1, 2013 and shall continue through December 31, 2013, unless otherwise terminated as set forth below.

3. **Compensation.** For services provided under this Agreement, the City shall pay to the Consultant Two Thousand Dollars (\$2,000.00) within thirty (30) days after execution of this Agreement.

The Consultant shall receive compensation for administering the MHFA Programs directly from the Minnesota Housing Finance Agency and not from the City.

4. **Termination.** Notwithstanding any other provision hereof to the contrary, this Agreement may be terminated as follows:

- a. The parties, by mutual written agreement, may terminate this Agreement at any time in which case the parties shall agree to the amount of fees payable to Consultant.
- b. The City may terminate this Agreement upon the breach by Consultant of any of its material covenants contained herein, where such breach shall have continued for a period of thirty (30) days following the receipt by Consultant of a written notice from the City, specifying the alleged breach; provided, however, if the nature of a non-monetary breach is such that Consultant cannot reasonably cure same in the thirty (30) day period, Consultant shall not be deemed to be in breach if it commences to cure within the thirty (30) day period, and diligently pursues same to completion within ninety (90) days following receipt by Consultant of such written notice. In the event of termination by the City hereunder, Consultant shall be entitled to fees due to the date the notice of breach is sent by the City.
- c. If Consultant or City (as applicable) (i) files a voluntary petition in bankruptcy (ii) files a voluntary petition for reorganization under any bankruptcy law, statute

or regulation or other similar statute or regulation, (iii) is adjudicated a bankrupt, (iv) makes an assignment for the benefit of creditors or applies for or consents to the appointment of a receiver or trustee as part of or in conjunction with a “creditor plan” with respect to any substantial part of its assets, or (v) a receiver or trustee is appointed, or an attachment or execution levied with respect to any substantial part of its assets, and said appointment is not vacated, or the attachment or execution not released, within sixty (60) days, then this Agreement shall, effective as of such date, without notice or further action by either party, immediately terminate.

- d. Consultant may terminate this Agreement upon the breach by City of any of its material covenants contained herein, where such breach shall have continued for a period of thirty (30) days following the receipt by City of a written notice from Consultant, specifying the alleged breach; provided, however, if the nature of a non-monetary breach is such that City cannot reasonably cure same in the thirty (30) day period, City shall not be deemed to be in breach if it commences to cure within the thirty (30) day period, and diligently pursues same to completion within ninety (90) days following receipt by City of such written notice. In the event of termination by Consultant hereunder. Consultant shall be entitled to retain the entire fee under this Agreement.

5. **Insurance.**

- a. During the term of this Agreement, the Consultant shall obtain and maintain workers compensation, comprehensive general liability, and automobile liability insurance. Comprehensive general liability insurance shall have an aggregate limit of Two Million Dollars (\$2,000,000.00).
- b. Upon request by the City, the Consultant shall provide a certificate or certificates of insurance relating to the insurance required. Such insurance secured by the Contractor shall be issued by insurance companies licensed in Minnesota. The insurance specified may be in a policy or policies of insurance, primary or excess.
- c. Such insurance shall be in force on the date of execution of an Agreement and shall remain continuously in force for the duration of the Agreement.

6. **Indemnification.**

- a. Notwithstanding anything to the contrary in this Agreement, the City, its officers, agents, and employees shall not be liable or responsible in any manner to the Consultant, the Consultant’s successors or assigns, the Consultant’s subcontractors, or to any other person or persons for any third party claim, demand, damage, or cause of action of any kind, nature, or character, including intentional acts, arising out of or by reason of the performance of this Agreement by Consultant. The Consultant, and the Consultant’s successors or assigns, agree to protect, defend and save the City, and its officers, agents, and employees, harmless from all third party

claims, demands, damages, and causes of action, to the extent caused by the negligence or wrongful acts of Consultant, and the costs, disbursements, and expenses of defending the same, including but not limited to, attorneys fees, consulting services, and other technical, administrative or professional assistance.

- b. Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation of any immunity or limitation on liability to which the City is entitled under Minnesota Statutes, Chapter 466, or otherwise.

7. **Assignment.** This Agreement shall not be assigned, sublet, or transferred, in whole or in part without the prior written approval of the City.

8. **Conflict of Interest.** The Independent Contractor shall use best efforts to meet all professional obligations to avoid conflicts of interest and appearances of impropriety in representation of the City. In the event of a conflict, the Independent Contractor, with the prior written consent of the City, shall arrange for suitable alternative services.

9. **Compliance with Laws.** The Consultant shall comply with all applicable Federal, State, and local laws, rules, ordinances, and regulations at all times and in the performance of the services pursuant to this Agreement.

10. **Notices.** Any notices permitted or required by this Agreement shall be deemed given when personally delivered or upon deposit in the United States mail, postage fully prepaid, certified, return receipt requested, addressed to:

Consultant: Greater Metropolitan Housing Corporation
15 South 5th Street, Suite 710
Minneapolis, MN 55402
ATTN: Suzanne Snyder

City: City of Falcon Heights
2077 West Larpenteur Avenue
Falcon Heights, MN 55113

Or such other address as either party may provide to the other by notice given in accordance with this provision.

11. **Entire Agreement.** This Agreement, any attached exhibits and any addenda or amendments signed by the parties shall constitute the entire agreement between the City and the Consultant, and supersedes any other written or oral agreements between the City and the Consultant. This Agreement can only be modified in writing signed by the City and the Consultant.

12. **Third Party Rights.** The parties to this Agreement do not intend to confer on any third party any rights under this Agreement.

13. **Counterparts.** This Agreement may be signed in one or more counterparts but all of which taken together shall constitute one instrument.

14. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

15. **Agreement Not Exclusive.** The City retains the right to hire other housing program consultants, in the City's sole discretion.

16. **Data Practices Act Compliance.** Data provided to the Consultant or created by the Consultant under this Agreement shall be administered in accordance with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as amended.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement on the respective dates indicated below.

CITY:

CITY OF FALCON HEIGHTS

By: _____

Its: Mayor

Date: _____, 20__.

By: _____

Its: City Administrator

Date: _____, 20__.

CONSULTANT:

GREATER METROPOLITAN HOUSING CORPORATION

By: _____

Its: President

Date: _____, 20__.