Phillipsburg City Council Agenda

945 2nd Street
02/15/2016

Please mute or turn off your cell phones prior to the start of the meeting.

1. 6:00 P.M. Call To Order By Mayor Pat Hewitt
2. 6:01 P.M. Mike Gower, USD #325 Superintendent - Tennis Court Expansion
3. 6:05 P.M. Gary Littrell - ABATE Bike Show 04/16/16
4. Reading & Approval Of The 02/1/16 And 02/08/16 Minutes

   Documents: 020116min.pdf, 020816min.pdf
5. Appropriation Ordinance #1055-02-16A

   Documents: appord0216a.pdf
6. City Attorney - Scott Sage
7. City Clerk - Brenda Chance
   CDBG information
   Select Account - Service Agreement; Flex Benefit Plan; Summary

   Documents: nwkscdbg.pdf, City of Phillipsburg FSA SA 20160101.pdf, City of Phillipsburg Plan 20160101.pdf, City of Phillipsburg FSA sum 20160101.pdf
8. Public Works Supervisor - Tim Driggs
   Public Works Report

   Documents: pws021516.pdf
9. Water Department Committee - Councilmember Stites
   Wastewater Rates
10. Streets & Solid Waste Committee - Councilmember Voorhees
11. Park. Recreation, & Cemetery Committee - Councilmember Speake
12. Finance, Audit, & Budget Committee - Councilmember Rogers
13. Airport, Library, & Community Building Committee - Councilmember Innes
14. Planning, Zoning, & Housing Committee - Councilmember James
15. Mayor's Report
    Post Prom Request

    Documents: postprom.pdf
16. Reports Attached
    January Building Permit
    January Court

Documents: 0116bldg permit - court summary.pdf

17. Adjourn Meeting

CITY OF PHILLIPSBURG
CITY COUNCIL MEETING
February 1, 2016

The Phillipsburg City Council met in regular session on February 1, 2016, 6:00 P.M., at the Phillipsburg City Office, 945 Second Street.

CALL TO ORDER

The meeting was called to order by Mayor Patrick Hewitt.

ATTENDANCE

PRESENT: Council members Mike James; Lynette Voorhees; Rod Innes; Travis Stites; Pete Rogers.

ABSENT: Council member Donna Speake.

ALSO PRESENT: Scott Sage, City Attorney; Tim Driggs, Public Works Supervisor; Tad Felts, reporter KKAN/KQMA; Shawn Ellenberger; Dan & Mary Price; Scott & Tammy Merklein; Brett Biggs; Amy Stephens; Brenda Chance, City Clerk.

NEEDS ASSESSMENT

Gary Brinker, representing the Docking Institute of Fort Hays State University, joined the meeting by Skype. Brinker provided information to the Council concerning the Docking Institute's ability to complete a community needs survey. The cost of the survey would be $4,250 with the city providing the phone number database and completing the survey in the next week. Discussion followed.

Brinker left the meeting at 6:26 p.m.

Moved by Rogers, seconded by Voorhees, to use FHSU to do a phone survey at a cost not to exceed $4,500 and authorize FHSU to utilize the city's phone number database. Voting Aye: James; Voorhees; Innes; Rogers. Opposed: Stites.

COMMUNITY BUILDING

Amy Stephens and Tammy Merklein provided information to the Council concerning the HOPE Foundation and the operation of the community building. Discussion was held concerning the HOPE Foundation assisting the city concerning problems with broken windows. Discussion was also held concerning increasing the thermostat temperature for renters.

Merkleins and Stephens left at 6:45 p.m.

AIRPORT INS

Brett Biggs provided information to the Council concerning the insurance coverage at the airport. Moved by Innes, seconded by Rogers, to include hangar keepers insurance. Voting Aye: ALL. Opposed: NONE.

MINUTES APPROVED

Moved by Voorhees, seconded by Stites, to approve the minutes of the January 18, 2016 meeting as written. Voting Aye: ALL. Opposed: NONE.

APPROPRIATION ORDINANCE #1055-01-16B

Moved by Rogers, seconded by Innes, to approve an ordinance to pay the bills for the month of January. Voting Aye: ALL. Opposed: NONE. Statutory majority having voted for this ordinance; the city clerk assigned it ordinance #1055-01-16B.

BIKE ACROSS KANSAS	Information was provided concerning the June visit of Bike across Kansas. Mayor Hewitt will serve on the Phillipsburg Chamber & Main Street committee to prepare for the visit.
OFFICE PRINTER	Moved by Voorhees, seconded by Innes, to purchase a HPM605X printer for the office. Voting Aye: ALL. Opposed: NONE.
PHONE SYSTEM	Chance invited the Council to attend a phone demonstration at the city office on Thursday at 1:30 presented by Nex-Tech.
PUBLIC WORKS	Driggs reported on activities of the public works department. Trees are being trimmed along the highway right of ways.
AIRPORT	The Airport Board recommended Olsson Engineering put together a proposal for designing an additional hangar taxiway for 2017 funding. The Airport Board is looking at being able to have space for additional hangars.
PLANNING	The Planning Commission will be meeting with John Riggs to discuss the parking ordinances.
WASTEWATER	Discussion was held concerning wastewater rates. Sample rates analysis will be provided for the following: 35% increase in the minimum and the per 1,000 gallon charge 35% increase in the minimum with no per 1,000 gallon charge change 60% increase in the minimum with no per 1,000 gallon charge change 75% increase in the minimum with no per 1,000 gallon charge change.
DANGEROUS STRUCTURES	Discussion was held concerning the structures at 541 F, 176 1st, and 262 Walnut. Repair work has been started at the 541 F and 176 1st addresses. A bid to tear down the 262 Walnut structure will be obtained. The Phillips County Commissioners will be contacted concerning the landfill fee for the demolition waste.
COMMUNITY BUILDING	The heat at the community building was discussed. Driggs will get prices for fans and also information concerning window replacement.
ADJOURN	Moved by Stites, seconded by Voorhees, to adjourn – time 7:45 P.M. Voting Aye: ALL. Opposed: NONE.

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Brenda L. Chance, City Clerk

CITY OF PHILLIPSBURG
SPECIAL CITY COUNCIL MEETING
February 8, 2016

The Phillipsburg City Council met in special session on February 8, 2016, 7:00 A.M., at the Phillipsburg City Office, 945 Second Street, for the object and purpose of discussing and taking action on the community needs assessment survey to be conducted by Fort Hays State University Docking Institute.

CALL TO ORDER The meeting was called to order by Mayor Patrick Hewitt.

ATTENDANCE PRESENT: Council members Donna Speake; Lynette Voorhees; Rod Innes; Travis Stites; Pete Rogers.

ABSENT: Council member Mike James.

ALSO PRESENT: Tim Driggs, Public Works Supervisor; Brenda Chance, City Clerk.

SURVEY A draft community needs assessment survey was provided to the Council. Discussion was held concerning the information. The Council made changes to the questionnaire.

ADJOURN Moved by Stites, seconded by Speake, to adjourn – time 7:39 A.M. Voting Aye: ALL. Opposed: NONE.

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Brenda L. Chance, City Clerk

VENDOR APPROVAL SUMMARY REPORT
appropriation ord #1055-02-16a

Date: 02/12/2016
Time: 11:06am
Page: 1

City of Phillipsburg

Bank Code 01

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
ADVANCE INSURANCE COMPANY OF	ADV INS	MARCH LIFE INS & AD&D	228.54	0.00
ADVOCATE OF PHILLIPS COUNTY	ADVOCATE	CLASSIFIED - SEALED BIDS FOR S	17.80	0.00
AIRGAS USA, LLC	AIRGAS	CYLINDER LEASE FOR OXY-ACETYLE	117.75	0.00
ALLIED INSURANCE	ALLIED	SURETY BOND - CITY CLERK	100.00	0.00
B & B REDI MIX INC	BBREDI	FILL SAND/FLOWABLE FILL	304.00	0.00
BIEKER AUTO PARTS	BIEKER	LED TRAILER	535.03	0.00
BIGGS INSURANCE AGENCY	BIGGSINS	AIRPORT LIABILITY INSURANCE R	2,545.00	0.00
BLUE RIBBON CAR WASH	BLUERIBB	VEHICLE WASHES	79.32	0.00
CECIL CHESTER	CHESTER	2015 & 2016 ANNUAL WELL EASEME	16,000.00	0.00
CLEAN-RITE JANITORIAL SUPPLY	CLEANRITE	ODOBAN ODOR ELIMINATOR/LOCKING	100.88	0.00
CURLY WILLOW II	CURLY WILL	FLOWERS - SHEA SERVICE	35.00	0.00
DAVID O. BUAMGARTNER, P.A.	BAUM	LEGAL SERVICES FOR CASE # 15-2	176.00	0.00
DOCKING INSTITUTE	DOCKING	NEEDS ASSESSMENT SURVEY CONTRA	2,125.00	0.00
DONS ELECTRIC & REWIND, INC.	DONS ELEC	ROUTE CONDUIT FOR FLOW METER C	6,361.98	0.00
HD SUPPLY WATERWORKS, LTD	HD SUPPLY	RESETTER	227.31	0.00
HEARTLAND MARKETING &	HEART	JUMBO ROLL OF TOILET PAPER	1,084.02	0.00
HEIMAN INC.	HEIMAN	FIRE HOSES	297.90	0.00
KANSAS MUNICIPAL UTILITIES	KSMUNI	KMU REGIONAL TRAINING 2016 1ST	1,891.00	0.00
KANSAS ONE-CALL SYSTEM INC	KS ONE	JANUARY LOCATES	16.00	0.00
KANSAS PAYMENT CENTER	KSPAY	02/12/16 CHILD SUPPORT	561.67	0.00
LAWSON PRODUCTS, INC	LAWSON	JOBBER DRILL BITS/RECIP BLADE	182.29	0.00
MACS ALIGNMENT SERVICE	MACS	SERVICED PUMP & ENGINE TRUCK #	354.00	0.00
MIDWEST ENERGY, INC	MIDWEST EN	GAS SERVICE	3,399.69	0.00
MUNICIPAL SUPPLY, INC	MUNISUP	THREAD CORP STOP	157.04	0.00
MURPHY TRACTOR & EQUIPMENT CO	MURPHY	REPLACEMENT DIGGING TEETH/IGNI	358.45	0.00
NEX-TECH	NEX-TECH	PHONE SERVICE	834.49	0.00
NORTH CENTRAL KANSAS COMMUNITY	NCKCN	MARCH WEB SERVER FEE	10.00	0.00
PACE ANALYTICAL INC	PACE	WASTE WATER SAMPLE TESTING	653.00	0.00
PEREGRINE CORPORATION	PEREGRINE	METER CARDS/SHIPPING	346.73	0.00
PHILLIPS COUNTY LANDFILL	PLCOLAND	LANDFILL CONTRACT - JANUARY	7,234.93	0.00
PHILLIPS COUNTY TREASURER	PLCOTREAS	MARCH LAW ENFORCEMENT CONTRACT	24,045.95	0.00
PHILLIPS-ROOKS DISTRICT #5	KSTATE EXT	SOIL TEST	35.00	0.00
PHILLIPSBURG CITY PETTY CASH	PETTY	REIMBURSE POSTAGE/REIMBURSE ME	884.53	0.00
PHILLIPSBURG EMPLOYEE BENEFIT	PBURGEMP	02/12/16 BUSINESS CONTRIBUTION	3,946.88	0.00
PHILLIPSBURG FLEX BENEFITS	PBURGFLEX	02/12/16 EMPLOYEE FLEX BENEFIT	1,762.72	0.00
PHILLIPSBURG PUBLIC BUILDING	PBURGPUB	FEB POOL LEASE	18,697.08	0.00
PRAIRIE LAND ELECTRIC COOP INC	PRAIRIE	ELECTRIC SERVICE	5,276.70	0.00
RANGELAND COOPERATIVES INC	RANGE	FUEL/DIESEL	2,736.24	0.00
ROBINSON ENTERPRISE INC	ROBINENT	MONTHLY PEST CONTROL	190.00	0.00
SAWYERS ACE HARDWARE	SAWYERS	VINYL SHEET/PACKING TAPE	1,341.06	0.00
SCOTT-MCCOPPIN BOOK STORE	SCOTT	MESSAGE BOOKS	287.65	0.00
SIDLES AUTOMOTIVE, INC	SIDLES	ALTERNATOR	483.49	0.00
SIGN SOLUTIONS	SIGNSOL	AQUATIC CENTER PUNCH CARDS	17.50	0.00
THIRD STREET BAKERY	THIRD	ROLLS - TRAINING	21.15	0.00
TMHC SERVICES INC	TMHC	RANDOM SUBSTANCE ABUSE TESTING	55.00	0.00
UNITED METHODIST WOMEN THRIFT	UMW	BAGS OF RAGS	14.00	0.00
VISA	VISA	BACKGROUND CHECKS	566.86	0.00
WEINMANS FIRESTONE	WEINMANS	INT TRUCK TIRE REPAIR	65.00	0.00
WHITES FOODLINER	WHITES	DAWN DISH SOAP	92.88	0.00
		Grand Total:	106,854.51	0.00

VENDOR APPROVAL SUMMARY REPORT
appropriation ord #1055-02-16a

Date: 02/12/2016
Time: 10:56am
Page: 1

City of Phillipsburg

Bank Code 03

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
CHASE PAYMENTECH	CHASE PAYM	AIRPORT CREDIT CARD FEES	0.00	36.27
FIRST NATIONAL BANK	1ST NAT DD	02/12/16 DIRECT DEPOSIT	0.00	19,631.23
FIRST NATIONAL BANK - TAXES	1ST NAT TX	02/12/16 FEDERAL TAX WITHHOLDI	0.00	7,530.27
GREAT WEST FINANCIAL	GREATW	02/12/16 DEFERRED COMPENSATION	0.00	842.00
KANSAS DEPT OF REVENUE	KS TAX W/H	02/12/16 KS TAX WITHHOLDING	0.00	1,121.14
KANSAS DEPT. OF REVENUE	KS SALETAX	JANUARY SALES TAX	0.00	1,666.21
KANSAS PUBLIC EMPLOYEES	KPERS	02/12/16 KPERS	0.00	5,267.63
SELECT ACCOUNT	SELECT ACC	ADMINISTRATIVE FEES	0.00	153.00
		Grand Total:	0.00	36,247.75

VENDOR APPROVAL SUMMARY REPORT
appropriation ord #1055-02-16a

Date: 02/12/2016
Time: 10:51am
Page: 1

City of Phillipsburg

Bank Code 05

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
FARM BUREAU FINANCIAL SERVICES	FARM BUR	FEB 2016 LIFE - PETERSON SHEA	0.00	25.75
		Grand Total:	0.00	25.75

VENDOR APPROVAL SUMMARY REPORT
appropriation ord #1055-02-16a

Date: 02/12/2016
Time: 10:43am
Page: 1

City of Phillipsburg

Bank Code 06

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
SELECT ACCOUNT	SELECT ACC	MEDICAL FLEX SPENDING	0.00	260.75
		Grand Total:	0.00	260.75

Fund / Department / Account	GL Number Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL						
Dept: GENERAL						
01-01-7203	COMMUNICAT	NORTH CENTRAL KANSAS COMMUNITY MARCH WEB SERVER FEE	0	68811	02/01/2016	10.00
01-01-7203	COMMUNICAT	NEX-TECH PHONE SERVICE	0	020116	02/01/2016	89.99
01-01-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316	02/03/2016	275.88
01-01-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816AA	01/28/2016	13.78
01-01-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816	01/28/2016	292.15
01-01-7210	CONT LABOR	ROBINSON ENTERPRISE INC MONTHLY PEST CONTROL	0	24441	01/28/2016	30.00
01-01-7210	CONT LABOR	DOCKING INSTITUTE NEEDS ASSESSMENT SURVEY CONTRA	0	2000-785	02/09/2016	531.25
01-01-7214	TRAINING	KANSAS MUNICIPAL UTILITIES KMU REGIONAL TRAINING 2016 1ST	0	13099	01/28/2016	472.75
01-01-7215	INS	ALLIED INSURANCE SURETY BOND - CITY CLERK	0	020816	02/08/2016	100.00
01-01-7217	MISC	VISA BACKGROUND CHECKS	0	122315	12/23/2015	120.00
01-01-7309	OFFICE SUP	SCOTT-MCCOPPIN BOOK STORE STAPLER	0	13083	01/12/2016	22.88
01-01-7310	GEN SUPPLY	SAWYERS ACE HARDWARE ICE MELT	0	198327	01/08/2016	45.98
01-01-7310	GEN SUPPLY	SAWYERS ACE HARDWARE GRAFFITI REMOVER/TOILET SEAT/W	0	199102	01/28/2016	15.98
01-01-7310	GEN SUPPLY	SAWYERS ACE HARDWARE BULB	0	198263	01/07/2016	119.70
01-01-7310	GEN SUPPLY	HEARTLAND MARKETING & BATH TISSUE/PAPER TOWELS	0	092768	01/28/2016	106.23
01-01-7310	GEN SUPPLY	WHITES FOODLINER CLOROX/KLEENEX/WINDEX	0	7900	02/07/2016	22.76
01-01-7312	BLDGREPAIR	SAWYERS ACE HARDWARE ANTIFREEZE/CLEAR CAULK/	0	198425	01/11/2016	52.54
01-01-7312	BLDGREPAIR	SAWYERS ACE HARDWARE GRAFFITI REMOVER/TOILET SEAT/W	0	199102	01/28/2016	19.99
01-01-7312	BLDGREPAIR	SAWYERS ACE HARDWARE PROPANE CYLINDER/ELBOW/COPPER	0	198439	01/11/2016	21.42
				Total GENERAL		2,363.28
Dept: COMMUNITY BLDG. & MAINTENANCE						
01-02-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	012716B	01/27/2016	67.09
01-02-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316A	02/03/2016	894.47
01-02-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816B	01/28/2016	138.62
01-02-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816AAA	01/28/2016	82.06
01-02-7210	CONT LABOR	ROBINSON ENTERPRISE INC MONTHLY PEST CONTROL	0	24441	01/28/2016	40.00
01-02-7310	GEN SUPPLY	SAWYERS ACE HARDWARE ICE MELT	0	198327	01/08/2016	45.98
01-02-7310	GEN SUPPLY	SAWYERS ACE HARDWARE GRAFFITI REMOVER/TOILET SEAT/W	0	199102	01/28/2016	9.99
01-02-7310	GEN SUPPLY	SAWYERS ACE HARDWARE ICE MELT/GORILLA TAPE	0	198769	01/19/2016	101.94
01-02-7310	GEN SUPPLY	HEARTLAND MARKETING & BATH TISSUE/PAPER TOWELS	0	092768	01/28/2016	106.23
01-02-7310	GEN SUPPLY	WHITES FOODLINER CLOROX/KLEENEX/WINDEX	0	7900	02/07/2016	10.67
01-02-7311	EQUIP REP	SAWYERS ACE HARDWARE BULBS	0	198605	01/15/2016	195.00
				Total COMMUNITY BLDG. & MAINTENANCE		1,692.05
Dept: MUNICIPAL COURT & POLICE						
01-03-7216	CO. LAW	PHILLIPS COUNTY TREASURER MARCH LAW ENFORCEMENT CONTRACT	0	021516	02/15/2016	24,045.95
01-03-7218	LEGAL FEE	DAVID O. BUAMGARTNER, P.A. LEGAL SERVICES FOR CASE # 15-2	0	4815	02/01/2016	176.00

Fund / Department / Account	GL Number Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL						
Dept: MUNICIPAL COURT & POLICE						
01-03-7309	OFFICE SUP	SCOTT-MCCOPPIN BOOK STORE GLUE STICK/TAPE/STAPLES	0	12763	01/06/2016	5.88
				Total MUNICIPAL COURT & POLICE		24,227.83
Dept: CITY FIRE DEPT.						
01-05-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816	01/28/2016	15.30
01-05-7210	CONT LABOR	ROBINSON ENTERPRISE INC MONTHLY PEST CONTROL	0	24441	01/28/2016	30.00
01-05-7310	GEN SUPPLY	SAWYERS ACE HARDWARE ICE MELT	0	198327	01/08/2016	45.98
01-05-7310	GEN SUPPLY	HEARTLAND MARKETING & BATH TISSUE/PAPER TOWELS	0	092768	01/28/2016	106.23
01-05-7310	GEN SUPPLY	WHITES FOODLINER CLOROX/KLEENEX/WINDEX	0	7900	02/07/2016	10.67
01-05-7311	EQUIP REP	SAWYERS ACE HARDWARE BULB	0	198127	01/04/2016	95.96
				Total CITY FIRE DEPT.		304.14
Dept: RURAL FIRE DEPT.						
01-06-7311	EQUIP REP	MACS ALIGNMENT SERVICE SERVICED PUMP & ENGINE TRUCK #	0	26146	01/27/2016	354.00
01-06-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483301	01/31/2016	15.11
				Total RURAL FIRE DEPT.		369.11
Dept: CUSTODIAN						
01-07-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481783	01/08/2016	16.39
01-07-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482817	01/25/2016	21.24
				Total CUSTODIAN		37.63
Dept: PARK						
01-09-7251	EQUIP RENT	AIRGAS USA, LLC CYLINDER LEASE FOR OXY-ACETYLE	0	9933442140	02/01/2016	23.55
01-09-7310	GEN SUPPLY	LAWSON PRODUCTS, INC JOBBER DRILL BITS/RECIP BLADE	0	9303849158	01/27/2016	26.04
01-09-7310	GEN SUPPLY	BIEKER AUTO PARTS 6 TON JACK STAND	0	116425	01/06/2016	6.87
01-09-7310	GEN SUPPLY	BIEKER AUTO PARTS 35 TON SERVICE JACK	0	116399	01/06/2016	24.87
01-09-7310	GEN SUPPLY	BIEKER AUTO PARTS LED TRAILER	0	116318	01/04/2016	7.18
01-09-7310	GEN SUPPLY	HEARTLAND MARKETING & BATH TISSUE/PAPER TOWELS	0	092768	01/28/2016	106.24
01-09-7311	EQUIP REP	SAWYERS ACE HARDWARE HEX BUSHING	0	199029	01/26/2016	7.99
01-09-7311	EQUIP REP	SAWYERS ACE HARDWARE LEAD FREE HYDRANT	0	199028	01/26/2016	122.99
01-09-7311	EQUIP REP	SAWYERS ACE HARDWARE CAP HOSE BRASS	0	198667	01/16/2016	4.49
				Total PARK		330.22
Dept: RECREATION						
01-10-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816E	01/28/2016	10.92
01-10-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816D	01/28/2016	10.92
01-10-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816C	01/28/2016	13.78
01-10-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816A	01/28/2016	13.78
01-10-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816	01/28/2016	15.20
				Total RECREATION		64.60
Dept: CEMETERY						
01-12-7251	EQUIP RENT	AIRGAS USA, LLC CYLINDER LEASE FOR OXY-ACETYLE	0	9933442140	02/01/2016	23.55

City of Phillipsburg

Fund / Department / Account	GL Number / Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL						
Dept: CEMETERY						
01-12-7310	GEN SUPPLY	LAWSON PRODUCTS, INC JOBBER DRILL BITS/RECIP BLADE	0	9303849158	01/27/2016	26.04
01-12-7310	GEN SUPPLY	BIEKER AUTO PARTS 6 TON JACK STAND	0	116425	01/06/2016	6.87
01-12-7310	GEN SUPPLY	BIEKER AUTO PARTS 35 TON SERVICE JACK	0	116399	01/06/2016	24.87
01-12-7310	GEN SUPPLY	BIEKER AUTO PARTS LED TRAILER	0	116318	01/04/2016	7.18
01-12-7311	EQUIP REP	BIEKER AUTO PARTS HALOGEN	0	116509	01/08/2016	2.32
01-12-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC ALTERNATOR	0	334995	01/11/2016	33.09
01-12-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483062	01/28/2016	91.77
				Total CEMETERY		215.69
Dept: AIRPORT						
01-16-7203	COMMUNICAT	NEX-TECH PHONE SERVICE	0	020116	02/01/2016	167.20
01-16-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316C	02/03/2016	105.39
01-16-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	020516	02/05/2016	17.00
01-16-7210	CONT LABOR	ROBINSON ENTERPRISE INC MONTHLY PEST CONTROL	0	24441	01/28/2016	30.00
01-16-7215	INS	BIGGS INSURANCE AGENCY AIRPORT LIABILITY INSURANCE R	0	89	02/08/2016	2,545.00
01-16-7310	GEN SUPPLY	SAWYERS ACE HARDWARE COAT HOOK/BRUSH DUSTER/WINDEX	0	199165	01/29/2016	16.27
01-16-7310	GEN SUPPLY	BIEKER AUTO PARTS 6 TON JACK STAND	0	116425	01/06/2016	6.87
01-16-7310	GEN SUPPLY	BIEKER AUTO PARTS 35 TON SERVICE JACK	0	116399	01/06/2016	24.87
01-16-7310	GEN SUPPLY	BIEKER AUTO PARTS LED TRAILER	0	116318	01/04/2016	7.18
01-16-7311	EQUIP REP	SAWYERS ACE HARDWARE NUTS	0	198257	01/07/2016	0.30
01-16-7311	EQUIP REP	BIEKER AUTO PARTS HALOGEN	0	116509	01/08/2016	2.32
01-16-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC BATTERY CABLE	0	337860	01/06/2016	7.59
01-16-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC ALTERNATOR	0	334886	01/06/2016	79.74
01-16-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC ALTERNATOR	0	334995	01/11/2016	33.10
				Total AIRPORT		3,042.83
Dept: ARMORY						
01-20-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	2316	02/03/2016	442.14
01-20-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816F	01/28/2016	303.02
01-20-7210	CONT LABOR	ROBINSON ENTERPRISE INC MONTHLY PEST CONTROL	0	24441	01/28/2016	30.00
01-20-7310	GEN SUPPLY	WHITES FOODLINER CLOROX/KLEENEX/WINDEX	0	7900	02/07/2016	10.67
				Total ARMORY		785.83
Dept: TRANSPORTATION						
01-27-7217	MISC	BLUE RIBBON CAR WASH VEHICLE WASHES	0	020116	02/01/2016	7.34
01-27-7310	GEN SUPPLY	SCOTT-MCCOPPIN BOOK STORE MESSAGE BOOKS	0	13718	01/22/2016	18.46
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481791	01/08/2016	15.50
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481526	01/04/2016	22.85
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481604	01/05/2016	46.31

Fund / Department / Account	GL Number Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL						
Dept: TRANSPORTATION						
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481669	01/06/2016	14.41
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482057	01/13/2016	13.58
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482193	01/15/2016	18.43
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482140	01/14/2016	50.45
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482417	01/19/2016	10.94
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482612	01/22/2016	12.02
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482613	01/22/2016	34.86
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482892	01/26/2016	11.66
01-27-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483047	01/28/2016	21.64
				Total TRANSPORTATION		298.45
Dept: LIBRARY SUPPORT						
01-30-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316E	02/03/2016	252.91
01-30-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816G	01/28/2016	580.54
				Total LIBRARY SUPPORT		833.45
					Fund Total	34,565.11
Fund: EMPLOYEE BENEFIT						
Dept:						
05-00-2650	125 PLAN	PHILLIPSBURG FLEX BENEFITS 02/12/16 EMPLOYEE FLEX BENEFIT	0	021216	02/12/2016	1,762.72
05-00-2700	GARNISH	KANSAS PAYMENT CENTER 02/12/16 CHILD SUPPORT	0	021216	02/12/2016	561.67
05-00-7106	LIFE & DA	ADVANCE INSURANCE COMPANY OF MARCH LIFE INS & AD&D	0	160360001415	02/06/2016	228.54
				Total		2,552.93
					Fund Total	2,552.93
Fund: SPECIAL HIGHWAY						
Dept:						
13-00-7203	COMMUNICAT	NEX-TECH PHONE SERVICE	0	020116	02/01/2016	74.20
13-00-7205	PRINTING	ADVOCATE OF PHILLIPS COUNTY CLASSIFIED - SEALED BIDS FOR S	0	020116	01/28/2016	17.80
13-00-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316I	02/03/2016	123.88
13-00-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316H	02/03/2016	60.33
13-00-7217	MISC	BLUE RIBBON CAR WASH VEHICLE WASHES	0	020116	02/01/2016	20.84
13-00-7251	EQUIP RENT	AIRGAS USA, LLC CYLINDER LEASE FOR OXY-ACETYLE	0	9933442140	02/01/2016	23.55
13-00-7310	GEN SUPPLY	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	110690	01/13/2016	28.90
13-00-7310	GEN SUPPLY	SAWYERS ACE HARDWARE ANTIFREEZE/CLEAR CAULK/	0	198425	01/11/2016	101.94
13-00-7310	GEN SUPPLY	SAWYERS ACE HARDWARE CAULKING GUN RATCHET	0	198438	01/11/2016	5.98
13-00-7310	GEN SUPPLY	LAWSON PRODUCTS, INC JOBBER DRILL BITS/RECIP BLADE	0	9303849158	01/27/2016	26.04
13-00-7310	GEN SUPPLY	BIEKER AUTO PARTS 6 TON JACK STAND	0	116425	01/06/2016	6.87
13-00-7310	GEN SUPPLY	BIEKER AUTO PARTS 35 TON SERVICE JACK	0	116399	01/06/2016	24.87

Fund Department Account	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: SPECIAL HIGHWAY						
Dept:						
13-00-7310	GEN SUPPLY	BIEKER AUTO PARTS LED TRAILER	0	116318	01/04/2016	7.18
13-00-7310	GEN SUPPLY	UNITED METHODIST WOMEN THRIFT BAGS OF RAGS	0	012916	01/29/2016	4.66
13-00-7310	GEN SUPPLY	HEARTLAND MARKETING & BATH TISSUE/PAPER TOWELS	0	092768	01/28/2016	106.24
13-00-7310	GEN SUPPLY	SIDLES AUTOMOTIVE, INC WASHER SOLVENT/ OIL	0	334894	01/07/2016	14.34
13-00-7311	EQUIP REP	SAWYERS ACE HARDWARE FILTER	0	198786	01/12/2016	18.99
13-00-7311	EQUIP REP	SAWYERS ACE HARDWARE VINYL SHEET/PACKING TAPE	0	199144	01/29/2016	7.72
13-00-7311	EQUIP REP	MURPHY TRACTOR & EQUIPMENT CO REPLACEMENT DIGGING TEETH/IGNI	0	471395	02/02/2016	179.22
13-00-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC WASHER SOLVENT/ OIL	0	334894	01/07/2016	53.88
13-00-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC FITTING	0	335285	01/20/2016	1.58
13-00-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC FILTER	0	334893	01/07/2016	3.96
13-00-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC ALTERNATOR	0	334934	02/08/2016	141.43
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483102	01/29/2016	78.42
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482841	01/25/2016	67.93
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482471	01/20/2016	74.90
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481589	01/05/2016	78.39
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483105	01/29/2016	88.14
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483114	01/29/2016	109.91
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483140	01/29/2016	26.29
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	4831411	01/29/2016	62.08
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483062	01/28/2016	91.77
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481775	01/08/2016	56.37
13-00-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483277	01/31/2016	27.00
13-00-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481685	01/06/2016	38.24
13-00-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482019	01/12/2016	35.00
13-00-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482218	01/15/2016	30.61
13-00-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482913	01/26/2016	33.00
				Total		1,952.45
					Fund Total	1,952.45
Fund: WATER & SEWER UTILITY						
Dept:						
23-00-2010	ENCUMB	DONS ELECTRIC & REWIND, INC. ELECTRICAL WORK	0	7936	01/22/2016	1,185.75
23-00-2010	ENCUMB	DONS ELECTRIC & REWIND, INC. ELECTRICAL WORK	0	7936	01/22/2016	592.87
				Total		1,778.62
Dept: WATER PRODUCTION						
23-51-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	020516	02/05/2016	1,708.13
23-51-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816H	01/28/2016	2,015.39

Fund / Department / Account	GL Number / Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: WATER & SEWER UTILITY						
Dept: WATER PRODUCTION						
23-51-7209	REIM EMP	PHILLIPSBURG EMPLOYEE BENEFIT 02/12/16 BUSINESS CONTRIBUTION	0	021216	02/12/2016	1,122.16
23-51-7213	EASEMENTS	CECIL CHESTER 2015 & 2016 ANNUAL WELL EASEME	0	021516	02/15/2016	16,000.00
23-51-7217	MISC	BLUE RIBBON CAR WASH VEHICLE WASHES	0	020116	02/01/2016	28.86
23-51-7310	GEN SUPPLY	SAWYERS ACE HARDWARE KEY SCHLAGE	0	198466	01/12/2016	10.32
23-51-7310	GEN SUPPLY	LAWSON PRODUCTS, INC JOBBER DRILL BITS/RECIP BLADE	0	9303849158	01/27/2016	26.04
23-51-7310	GEN SUPPLY	LAWSON PRODUCTS, INC JOBBER DRILL BITS/RECIP BLADE	0	9303849158	01/27/2016	26.04
23-51-7310	GEN SUPPLY	BIEKER AUTO PARTS 6 TON JACK STAND	0	116425	01/06/2016	6.87
23-51-7310	GEN SUPPLY	BIEKER AUTO PARTS 35 TON SERVICE JACK	0	116399	01/06/2016	24.88
23-51-7310	GEN SUPPLY	BIEKER AUTO PARTS LED TRAILER	0	116318	01/04/2016	7.19
23-51-7310	GEN SUPPLY	HEARTLAND MARKETING & BATH TISSUE/PAPER TOWELS	0	092768	01/28/2016	106.24
23-51-7311	EQUIP REP	DONS ELECTRIC & REWIND, INC. ROUTE CONDUIT FOR FLOW METER C	0	7952	02/02/2016	2,936.35
23-51-7311	EQUIP REP	DONS ELECTRIC & REWIND, INC. RUN CONDUIT FROM RECEPTACLE ON	0	7953	02/03/2016	1,647.01
23-51-7311	EQUIP REP	SAWYERS ACE HARDWARE PLUG	0	198422	01/11/2016	1.99
23-51-7311	EQUIP REP	BIEKER AUTO PARTS BRAKE PADS/BRAKE ROTORS	0	116393	01/06/2016	105.45
23-51-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481776	01/08/2016	39.51
23-51-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482203	01/15/2016	37.85
23-51-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482966	01/27/2016	33.53
				Total WATER PRODUCTION		25,883.81
Dept: WATER DISTRIBUTION						
23-53-4801	RECEIPTS	PHILLIPSBURG CITY PETTY CASH REIMBURSE POSTAGE/REIMBURSE ME	0	021516	02/15/2016	3.40
23-53-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316I	02/03/2016	123.89
23-53-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316H	02/03/2016	60.33
23-53-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316G	02/03/2016	24.10
23-53-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316F	02/03/2016	200.73
23-53-7209	REIM EMP	PHILLIPSBURG EMPLOYEE BENEFIT 02/12/16 BUSINESS CONTRIBUTION	0	021216	02/12/2016	198.81
23-53-7214	TRAINING	VISA LODGING - TRAINING - DRIGGS	0	010716	01/07/2016	102.58
23-53-7214	TRAINING	VISA MEAL - TRAINING - DRIGGS	0	6425A	01/06/2016	14.55
23-53-7214	TRAINING	VISA FUEL - TRAINING - DRIGGS	0	2340117	01/07/2016	40.00
23-53-7214	TRAINING	VISA ROLLS- TRAINING	0	11816	01/18/2016	3.27
23-53-7214	TRAINING	KANSAS MUNICIPAL UTILITIES KMU REGIONAL TRAINING 2016 1ST	0	13099	01/28/2016	472.75
23-53-7217	MISC	VISA VEHICLE WASH - DRIGGS	0	010416	01/04/2016	4.92
23-53-7217	MISC	BLUE RIBBON CAR WASH VEHICLE WASHES	0	020116	02/01/2016	22.28
23-53-7240	MEMBER FEE	KANSAS ONE-CALL SYSTEM INC JANUARY LOCATES	0	6010423	01/31/2016	16.00
23-53-7251	EQUIP RENT	AIRGAS USA, LLC CYLINDER LEASE FOR OXY-ACETYLE	0	9933442140	02/01/2016	23.55
23-53-7309	OFFICE SUP	PEREGRINE CORPORATION METER CARDS/SHIPPING	0	202921	01/25/2016	346.73

Fund / Department / Account	GL Number / Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: WATER & SEWER UTILITY						
Dept: WATER DISTRIBUTION						
23-53-7309	OFFICE SUP	SCOTT-MCCOPPIN BOOK STORE COPY PAPER	0	13817	01/25/2016	57.33
23-53-7309	OFFICE SUP	SCOTT-MCCOPPIN BOOK STORE GLUE STICK/TAPE/STAPLES	0	12763	01/06/2016	5.15
23-53-7310	GEN SUPPLY	HEIMAN INC. FIRE HOSES	0	0842583	01/27/2016	297.90
23-53-7310	GEN SUPPLY	SAWYERS ACE HARDWARE CAULKING GUN RATCHET	0	198438	01/11/2016	5.99
23-53-7310	GEN SUPPLY	SAWYERS ACE HARDWARE GALV NIPPLE/VALVE GATE BRASS	0	198904	01/22/2016	45.97
23-53-7310	GEN SUPPLY	SAWYERS ACE HARDWARE GLASS CLEANER	0	199086	01/27/2016	7.99
23-53-7310	GEN SUPPLY	SAWYERS ACE HARDWARE HITCH PULL PIN	0	198114	01/04/2016	13.98
23-53-7310	GEN SUPPLY	MUNICIPAL SUPPLY, INC THREAD CORP STOP	0	0613643	01/28/2016	157.04
23-53-7310	GEN SUPPLY	BIEKER AUTO PARTS 6 TON JACK STAND	0	116425	01/06/2016	6.88
23-53-7310	GEN SUPPLY	BIEKER AUTO PARTS OIL	0	116925	01/19/2016	71.76
23-53-7310	GEN SUPPLY	BIEKER AUTO PARTS 35 TON SERVICE JACK	0	116399	01/06/2016	24.88
23-53-7310	GEN SUPPLY	BIEKER AUTO PARTS LED TRAILER	0	116318	01/04/2016	7.19
23-53-7310	GEN SUPPLY	HEARTLAND MARKETING & BATH TISSUE/PAPER TOWELS	0	092768	01/28/2016	106.24
23-53-7310	GEN SUPPLY	HD SUPPLY WATERWORKS, LTD RESETTER	0	060147	01/28/2016	227.31
23-53-7311	EQUIP REP	SAWYERS ACE HARDWARE GORILLA TAPE/BOWL BRUSH	0	198139	01/04/2016	36.46
23-53-7311	EQUIP REP	SAWYERS ACE HARDWARE ADAPTER/ELBOW/COUPLE	0	198855	01/21/2016	26.18
23-53-7311	EQUIP REP	MURPHY TRACTOR & EQUIPMENT CO REPLACEMENT DIGGING TEETH/IGNI	0	471395	02/02/2016	179.23
23-53-7311	EQUIP REP	WEINMANS FIRESTONE INT TRUCK TIRE REPAIR	0	1989	01/29/2016	65.00
23-53-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC DOOR HINGE	0	335048	01/12/2016	16.22
23-53-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC OIL/FILTER	0	334858	01/06/2016	27.31
23-53-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482554	01/21/2016	43.83
23-53-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482845	01/25/2016	178.58
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481573	01/05/2016	35.15
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481793	01/08/2016	30.00
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481434	01/02/2016	29.10
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482270	01/16/2016	31.70
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482223	01/15/2016	52.63
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481964	01/11/2016	30.50
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481592	01/05/2016	42.15
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482177	01/15/2016	35.31
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	481676	01/06/2016	16.00
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482497	01/20/2016	36.61
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482513	01/20/2016	27.00
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482847	01/25/2016	104.38
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482688	01/23/2016	24.00

Fund / Department / Account	GL Number Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: WATER & SEWER UTILITY						
Dept: WATER DISTRIBUTION						
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	483266	01/31/2016	29.35
23-53-7316	GAS FUEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482959	01/27/2016	24.65
23-53-7327	CONCRETE	B & B REDI MIX INC FILL SAND/FLOWABLE FILL	0	3556	01/29/2016	304.00
				Total WATER DISTRIBUTION		4,118.84
Dept: WATER GENERAL						
23-55-7203	COMMUNICAT	PHILLIPSBURG CITY PETTY CASH REIMBURSE POSTAGE/REIMBURSE ME	0	021516	02/15/2016	111.13
23-55-7203	COMMUNICAT	NEX-TECH PHONE SERVICE	0	020116	02/01/2016	201.37
23-55-7209	REIM EMP	PHILLIPSBURG EMPLOYEE BENEFIT 02/12/16 BUSINESS CONTRIBUTION	0	021216	02/12/2016	232.57
23-55-7214	TRAINING	THIRD STREET BAKERY ROLLS - TRAINING	0	66	02/02/2016	7.05
				Total WATER GENERAL		552.12
Dept: WATER NON-OPERATING						
23-56-7210	CONT LABOR	DOCKING INSTITUTE NEEDS ASSESSMENT SURVEY CONTRA	0	2000-785	02/09/2016	531.25
				Total WATER NON-OPERATING		531.25
Dept: SEWER						
23-71-7203	COMMUNICAT	NEX-TECH PHONE SERVICE	0	020116	02/01/2016	146.99
23-71-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	012716J	01/27/2016	129.93
23-71-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816J	01/28/2016	32.33
23-71-7207	ELECTRIC	PRAIRIE LAND ELECTRIC COOP INC ELECTRIC SERVICE	0	012816I	01/28/2016	13.78
23-71-7209	REIM EMP	PHILLIPSBURG EMPLOYEE BENEFIT 02/12/16 BUSINESS CONTRIBUTION	0	021216	02/12/2016	935.31
23-71-7210	CONT LABOR	DOCKING INSTITUTE NEEDS ASSESSMENT SURVEY CONTRA	0	2000-785	02/09/2016	531.25
23-71-7214	TRAINING	THIRD STREET BAKERY ROLLS - TRAINING	0	66	02/02/2016	7.05
23-71-7214	TRAINING	VISA ROLLS- TRAINING	0	11816	01/18/2016	3.27
23-71-7214	TRAINING	KANSAS MUNICIPAL UTILITIES KMU REGIONAL TRAINING 2016 1ST	0	13099	01/28/2016	472.75
23-71-7237	TESTING	PHILLIPS-ROOKS DISTRICT #5 SOIL TEST	0	16002	01/06/2016	35.00
23-71-7237	TESTING	PACE ANALYTICAL INC WASTE WATER SAMPLE TESTING	0	164867	02/04/2016	653.00
23-71-7251	EQUIP RENT	AIRGAS USA, LLC CYLINDER LEASE FOR OXY-ACETYLE	0	9933442140	02/01/2016	23.55
23-71-7309	OFFICE SUP	SCOTT-MCCOPPIN BOOK STORE COPY PAPER	0	13817	01/25/2016	57.33
23-71-7309	OFFICE SUP	SCOTT-MCCOPPIN BOOK STORE GLUE STICK/TAPE/STAPLES	0	12763	01/06/2016	5.16
23-71-7310	GEN SUPPLY	SAWYERS ACE HARDWARE CAULKING GUN RATCHET	0	198438	01/11/2016	5.99
23-71-7310	GEN SUPPLY	SAWYERS ACE HARDWARE BUSHING/CEMENT RAIN R - SHINE	0	198490	01/12/2016	11.99
23-71-7310	GEN SUPPLY	LAWSON PRODUCTS, INC JOBBER DRILL BITS/RECIP BLADE	0	9303849158	01/27/2016	26.04
23-71-7310	GEN SUPPLY	BIEKER AUTO PARTS 6 TON JACK STAND	0	116425	01/06/2016	6.88
23-71-7310	GEN SUPPLY	BIEKER AUTO PARTS 35 TON SERVICE JACK	0	116399	01/06/2016	24.88
23-71-7310	GEN SUPPLY	BIEKER AUTO PARTS LED TRAILER	0	116318	01/04/2016	7.19
23-71-7310	GEN SUPPLY	UNITED METHODIST WOMEN THRIFT BAGS OF RAGS	0	012916	01/29/2016	4.67
23-71-7310	GEN SUPPLY	HEARTLAND MARKETING & BATH TISSUE/PAPER TOWELS	0	092768	01/28/2016	106.24

Fund Department Account	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: WATER & SEWER UTILITY						
Dept: SEWER						
23-71-7310	GEN SUPPLY	WHITES FOODLINER DAWN DISH SOAP	0	3391	01/12/2016	38.11
23-71-7311	EQUIP REP	SAWYERS ACE HARDWARE GALV NIPPLE	0	198471	01/12/2016	6.78
23-71-7311	EQUIP REP	SAWYERS ACE HARDWARE COUPLE/BRAID/CABLE TIES/	0	199150	01/29/2016	52.34
23-71-7311	EQUIP REP	SAWYERS ACE HARDWARE SPLIT BOLT	0	198766	01/19/2016	24.46
23-71-7311	EQUIP REP	SAWYERS ACE HARDWARE BUSHING/CEMENT RAIN R - SHINE	0	198490	01/12/2016	4.58
23-71-7311	EQUIP REP	BIEKER AUTO PARTS REPAIR KIT/GORILLA GLUE	0	117108	01/25/2016	37.52
23-71-7311	EQUIP REP	BIEKER AUTO PARTS WINDSHIELD WIPER BUSHING	0	117010	01/21/2016	1.87
23-71-7311	EQUIP REP	BIEKER AUTO PARTS HALOGEN	0	116509	01/08/2016	2.32
23-71-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC WINDOW HANDLE	0	335136	01/14/2016	2.19
23-71-7311	EQUIP REP	SIDLES AUTOMOTIVE, INC ALTERNATOR	0	334995	01/11/2016	33.10
23-71-7315	DIESEL	RANGELAND COOPERATIVES INC FUEL/DIESEL	0	482554	01/21/2016	43.84
				Total SEWER		3,487.69
					Fund Total	36,352.33
Fund: SOLID WASTE						
Dept:						
25-00-7203	COMMUNICAT	NEX-TECH PHONE SERVICE	0	020116	02/01/2016	79.99
25-00-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316I	02/03/2016	123.87
25-00-7206	NAT. GAS	MIDWEST ENERGY, INC GAS SERVICE	0	020316H	02/03/2016	60.34
25-00-7209	REIM EMP	PHILLIPSBURG EMPLOYEE BENEFIT 02/12/16 BUSINESS CONTRIBUTION	0	021216	02/12/2016	1,006.40
25-00-7210	CONT LABOR	DOCKING INSTITUTE NEEDS ASSESSMENT SURVEY CONTRA	0	2000-785	02/09/2016	531.25
25-00-7214	TRAINING	THIRD STREET BAKERY ROLLS - TRAINING	0	66	02/02/2016	7.05
25-00-7214	TRAINING	VISA ROLLS- TRAINING	0	11816	01/18/2016	3.27
25-00-7214	TRAINING	KANSAS MUNICIPAL UTILITIES KMU REGIONAL TRAINING 2016 1ST	0	13099	01/28/2016	472.75
25-00-7217	MISC	CURLY WILLOW II FLOWERS - SHEA SERVICE	0	5812	01/28/2016	35.00
25-00-7242	LANDFILL	PHILLIPS COUNTY LANDFILL LANDFILL CONTRACT - JANUARY	0	020816	02/08/2016	7,234.93
25-00-7255	D & A TEST	TMHC SERVICES INC RANDOM SUBSTANCE ABUSE TESTING	0	213444	02/04/2016	55.00
25-00-7309	OFFICE SUP	SCOTT-MCCOPPIN BOOK STORE COPY PAPER	0	13817	01/25/2016	57.34
25-00-7309	OFFICE SUP	SCOTT-MCCOPPIN BOOK STORE GLUE STICK/TAPE/STAPLES	0	12763	01/06/2016	5.16
25-00-7310	GEN SUPPLY	RANGELAND COOPERATIVES INC DIESEL SUPPLEMENT	0	97811	01/05/2016	46.00
25-00-7310	GEN SUPPLY	LAWSON PRODUCTS, INC JOBBER DRILL BITS/RECIP BLADE	0	9303849158	01/27/2016	26.05
25-00-7310	GEN SUPPLY	BIEKER AUTO PARTS 6 TON JACK STAND	0	116425	01/06/2016	6.88
25-00-7310	GEN SUPPLY	BIEKER AUTO PARTS 35 TON SERVICE JACK	0	116399	01/06/2016	24.88
25-00-7310	GEN SUPPLY	BIEKER AUTO PARTS LED TRAILER	0	116318	01/04/2016	7.19
25-00-7310	GEN SUPPLY	UNITED METHODIST WOMEN THRIFT BAGS OF RAGS	0	012916	01/29/2016	4.67
25-00-7310	GEN SUPPLY	HEARTLAND MARKETING & BATH TISSUE/PAPER TOWELS	0	092768	01/28/2016	106.24

Fund Department Account	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: SOLID WASTE						
Dept:						
25-00-7310	GEN SUPPLY	SIDLES AUTOMOTIVE, INC	0		01/12/2016	35.96
		DIESEL EXHAUST FLUID		335070		
25-00-7315	DIESEL	RANGELAND COOPERATIVES INC	0		01/12/2016	70.33
		FUEL/DIESEL		482017		
25-00-7315	DIESEL	RANGELAND COOPERATIVES INC	0		01/15/2016	60.97
		FUEL/DIESEL		482214		
25-00-7315	DIESEL	RANGELAND COOPERATIVES INC	0		01/20/2016	68.87
		FUEL/DIESEL		482508		
25-00-7315	DIESEL	RANGELAND COOPERATIVES INC	0		01/29/2016	77.43
		FUEL/DIESEL		4831949		
25-00-7315	DIESEL	RANGELAND COOPERATIVES INC	0		01/04/2016	77.51
		FUEL/DIESEL		481548		
25-00-7315	DIESEL	RANGELAND COOPERATIVES INC	0		01/07/2016	65.35
		FUEL/DIESEL		481741		
				Total		10,350.68
					Fund Total	10,350.68
Fund: METER DEPOSIT						
Dept:						
28-00-7238	DEP REFUND	PHILLIPSBURG CITY PETTY CASH	0		02/15/2016	770.00
		REIMBURSE POSTAGE/REIMBURSE ME		021516		
				Total		770.00
					Fund Total	770.00
Fund: AQUATIC CENTER						
Dept:						
42-00-7203	COMMUNICAT	NEX-TECH	0		02/01/2016	74.75
		PHONE SERVICE		020116		
42-00-7206	NAT. GAS	MIDWEST ENERGY, INC	0		02/03/2016	454.41
		GAS SERVICE		020316K		
42-00-7209	REIM EMP	PHILLIPSBURG EMPLOYEE BENEFIT	0		02/12/2016	451.63
		02/12/16 BUSINESS CONTRIBUTION		021216		
42-00-7210	CONT LABOR	ROBINSON ENTERPRISE INC	0		01/28/2016	30.00
		MONTHLY PEST CONTROL		24441		
42-00-7214	TRAINING	VISA	0		01/21/2016	275.00
		CPO REGISTRATION FEE - SWATZEL		16016		
42-00-7257	LEASE RENT	PHILLIPSBURG PUBLIC BUILDING	0		02/15/2016	18,697.08
		FEB POOL LEASE		021516		
42-00-7309	OFFICE SUP	SCOTT-MCCOPPIN BOOK STORE	0		01/04/2016	52.96
		INK CARTRIDGE		12606		
42-00-7310	GEN SUPPLY	SAWYERS ACE HARDWARE	0		01/04/2016	28.91
		BLEACH/GLASS CLEANER/ MR CLEAN		198116		
42-00-7310	GEN SUPPLY	SIGN SOLUTIONS	0		01/26/2016	17.50
		AQUATIC CENTER PUNCH CARDS		3203		
42-00-7310	GEN SUPPLY	CLEAN-RITE JANITORIAL SUPPLY	0		01/22/2016	100.88
		ODOBAN ODOR ELIMINATOR/LOCKING		64842		
42-00-7310	GEN SUPPLY	HEARTLAND MARKETING &	0		01/29/2016	127.89
		JUMBO ROLL OF TOILET PAPER		092852		
				Total		20,311.01
					Fund Total	20,311.01
					Grand Total	106,854.51

INVOICE APPROVAL LIST BY FUND
appropriation ord #1055-02-16a

Date: 02/12/2016
Time: 10:57am
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City of Phillipsburg

Bank Code 03

Fund / Department / Account	GL Number / Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL						
Dept: GENERAL						
01-01-7219	SALES TAX	KANSAS DEPT. OF REVENUE JANUARY SALES TAX	160218	160218	02/15/2016	0.12
				Total GENERAL		0.12
Dept: AIRPORT						
01-16-7219	SALES TAX	KANSAS DEPT. OF REVENUE JANUARY SALES TAX	160218	160218	02/15/2016	75.57
01-16-7259	CREDIT FEE	CHASE PAYMENTECH AIRPORT CREDIT CARD FEES	160217	160217	02/12/2016	36.27
				Total AIRPORT		111.84
					Fund Total	111.96
Fund: EMPLOYEE BENEFIT						
Dept:						
05-00-2100	TAX W/H	KANSAS DEPT OF REVENUE 02/12/16 KS TAX WITHHOLDING	160216	160216	02/12/2016	1,121.14
05-00-2100	TAX W/H	FIRST NATIONAL BANK - TAXES 02/12/16 FEDERAL TAX WITHHOLDI	160215	160215	02/12/2016	5,070.90
05-00-2200	KPERS W/H	KANSAS PUBLIC EMPLOYEES 02/12/16 KPERS	160214	160214	02/12/2016	1,913.26
05-00-2400	L.INS. W/H	KANSAS PUBLIC EMPLOYEES 02/12/16 KPERS	160214	160214	02/12/2016	108.20
05-00-2800	DEF. COMP.	GREAT WEST FINANCIAL 02/12/16 DEFERRED COMPENSATION	160213	160213	02/12/2016	842.00
05-00-2950	DIRECT DEP	FIRST NATIONAL BANK 02/12/16 DIRECT DEPOSIT	160212	160212	02/12/2016	19,631.23
05-00-7101	SOC SEC	FIRST NATIONAL BANK - TAXES 02/12/16 FEDERAL TAX WITHHOLDI	160215	160215	02/12/2016	2,459.37
05-00-7102	KPERS	KANSAS PUBLIC EMPLOYEES 02/12/16 KPERS	160214	160214	02/12/2016	3,246.17
05-00-7107	SELECTACCT	SELECT ACCOUNT ADMINISTRATIVE FEES	160219	160219	02/15/2016	153.00
				Total		34,545.27
					Fund Total	34,545.27
Fund: SPECIAL HIGHWAY						
Dept:						
13-00-7219	SALES TAX	KANSAS DEPT. OF REVENUE JANUARY SALES TAX	160218	160218	02/15/2016	16.60
				Total		16.60
					Fund Total	16.60
Fund: WATER & SEWER UTILITY						
Dept: WATER NON-OPERATING						
23-56-7219	SALES TAX	KANSAS DEPT. OF REVENUE JANUARY SALES TAX	160218	160218	02/15/2016	1,573.92
				Total WATER NON-OPERATING		1,573.92
					Fund Total	1,573.92
					Grand Total	36,247.75

INVOICE APPROVAL LIST BY FUND
appropriation ord #1055-02-16a

Date: 02/12/2016
Time: 10:51am
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City of Phillipsburg

Bank Code 05

Fund / Department / Account	GL Number Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: EMPLOYEE FLEX BENEFIT						
Dept:						
39-00-4930	OTHER INS	FARM BUREAU FINANCIAL SERVICES	3260		02/05/2016	25.75
		FEB 2016 LIFE - PETERSON SHEA		020516		
				Total		25.75
					Fund Total	25.75
					Grand Total	25.75

INVOICE APPROVAL LIST BY FUND
appropriation ord #1055-02-16a

Date: 02/12/2016
Time: 10:43am
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City of Phillipsburg

Bank Code Ok

Fund / Department / Account	GL Number / Abbrev	Vendor Name / Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: EMPLOYEE FLEX BENEFIT						
Dept:						
39-00-7275	UNREIM MED	SELECT ACCOUNT	160220		02/15/2016	260.75
		MEDICAL FLEX SPENDING		160220		
				Total		260.75
					Fund Total	260.75
					Grand Total	260.75

NORTHWEST KANSAS
PLANNING and DEVELOPMENT
COMMISSION
319 N. Pomeroy
Box 248
Hill City, Kansas 67642-0248
(785) 421-2151 Fax (785) 421-3496

FEB 8 2016

February 5, 2016

Dear City and County Government Leaders:

Northwest Kansas Planning & Development Commission (NWKP&DC) has proudly served the communities of Northwest Kansas for over the past 30+ years, bringing millions of dollars in grant funds to the area. If your community/county is considering making an application for 2017 Community Development Block Grant (CDBG) funding, it would be our pleasure to assist with its preparation.

The 2017 CDBG competitive application deadlines have not yet been announced. We are expecting it to be similar to last year's 2016 deadlines:

- **Housing** **August 31**
- **Water and Sewer** **September 30**
- **Community Facilities** **November 2**

The updated deadlines will be disclosed at the 2017 CDBG Application workshop scheduled for April, 2016. If your community is interested in submitting a CDBG application, you are highly encouraged to attend this meeting. The Kansas Department of Commerce (KDOC) will mail communities fliers with details and information necessary to register for the workshop.

Prompt attention must be paid to not only these application deadlines, but to the information gathering timeline requirements enclosed (these dates reflect last year's deadlines which we anticipate to be similar). The preparation deadlines will ensure that everyone's efforts to complete the application are well organized, result in an application in the best format possible and it meets all CDBG criteria. All potential grant applicants need to start making plans now.

Application requirements that generally take considerable time include: low-to-moderate income surveys; defining the project's scope of work and target area of beneficiaries; land acquisition procedures; the pre-selection of professional services such as engineers, architects or housing inspectors; the preparation of preliminary reports and cost estimates; and firm commitments from other matching funding sources. Matching funds must be a minimum of 25% of the entire project cost, although greater matches increase odds of receiving an award.

By now your community should have received the CDBG newsletter dated February, 2016. Please pay particular attention to the On the Road 2016 information on page 1. At the noted hearing, KDOC will discuss and accept comments regarding proposed changes listed for existing programs, take consideration of perceived needed changes that are not listed to existing programs, and will explain any new funding opportunities. If you are interested in any of these programs, you are highly encouraged to participate in the hearing by conference call as noted.

It is imperative that all potential applicants get started with application preparation as soon as possible. If you have a proposed application, please contact Corina Cox or Justine Benoit at (785) 421-2151 no later than March 1st for Downtown Commercial Rehabilitation projects or May 1st for Housing/Water & Sewer/Community Facilities projects. If you have already discussed a potential application with staff, please give us a call or email (nwkpdc@ruraltel.net) to confirm your plans and make sure you are on our list.

Thank you!

Sincerely,

Randall J. Hrabe

Randall J. Hrabe
Executive Director

Enclosure

Dates for 2016 CDBG HOUSING Grant Application Preparation

Immediately	Begin Housing Assessment Tool (HAT) to determine housing needs/goals.
April-July 1, 2015	Submit Housing Profile and attend Housing Interagency Advisory Committee (HIAC) meeting. HIAC meetings are usually held on the 3rd Wednesday of each month (March-July). Profile is due by 5:00 p.m. at least two weeks prior to the HIAC meeting. All meetings will be in Topeka except for June 16th is in Hays.
July 1, 2015	Last eligible date to complete and submit the HAT if attending a HIAC meeting. HIAC is highly recommended, but not mandatory. 5 points will be deducted in rating if not attended.
Immediately following HAT no later than July 1, 2015	**Project identified** and eligibility confirmed with NWKP&DC staff. Distribute **pre-applications** and gauge **Contractor** interest. Begin **Request for Qualifications** procedure [i.e. Project Inspection Services, Risk Assessor, Architect)].
July 14, 2015	Complete and submit **Project Map(s). Submit Housing Application Log** of pre-applications, any supportive **Narrative Information (HAT/exploration of community needs, development of project - scope of work, eligibility criteria, past efforts, solution, cost estimates, code enforcement, environmental concerns, public interest, matching funds/commitments** to NWKP&DC. Complete **Community Needs Assessment** Questionnaire and return to NWKP&DC. If one is on file, identify current needs within the community.
July 24, 2015	Review and confirm **Budget**.
Mid-Late July, 2015	**Publish Public Hearing Notice** - Must confirm specific deadlines for publication in legal newspaper allowing five full days starting one day after publication and not counting the date of the hearing, but no more than 20 days before the date of the hearing.
August 16, 2015	Last eligible date for required **Public Hearing**.
August 20, 2015	Review and confirm application **Narrative**.
August 21, 2015	Provide NWKP&DC with an **original affidavit of publication** for the Public Hearing Notice. Governing body must approve and sign all **application documents and resolutions** – original forms to NWKP&DC office. Approve all necessary professional services contracts.
August 31, 2015	**Application Deadline— Must be postmarked on or before date.**

***Grant Awards for CDBG Housing will be announced on or about January 7, 2016.**
***Communities assisted by our office for FY 2016 CDBG Application preparations are requested to respect these timeframe guidelines. Timely planning is essential to a successful grant application.**

Dates for 2016 CDBG WATER & SEWER Grant Application Preparation

Immediately	Discuss and confirm plans for **proposed project** with NWKP&DC staff. Begin **Low-to-Moderate Income Survey** or documentation of Project Beneficiaries. Begin **Request for Qualifications** procedure for Project Engineer if CDBG funds will pay any portion of design or inspection. Begin **Land Acquisition** procedures (if applicable).
Immediately	**Project identified** and eligibility confirmed with NWKP&DC staff. Identify anticipated source(s) of matching funds and define responsible parties for making those applications. Notify NWKP&DC of selection of Engineer (if RFQ was not done). If using KDHE loan funds, project must be on the Intended Use Plan (IUP) by the end of May. Kansas Water Office (KWO) requires a conservation plan to be in place (water projects).
June 1, 2015	First eligible date for required Public Hearing.
June thru August, 2015	**Complete KIAC Profile, if applicable. Project Cost Estimate and draft of Preliminary Engineering Report must be submitted with the KIAC Profile in order to schedule a KIAC meeting.** This info due by last day of month for first monthly KIAC mtg; due by the 10th for second monthly KIAC Meeting, (2nd and 4th Tuesdays, May–August; All meetings in Topeka except August 11th mtg. in Hays). No KIAC meetings are held in September. KIAC meetings are valid for 2 consecutive years if scope hasn't changed.
August 1, 2015	Complete **LMI Survey Tabulation** and return to NWKP&DC. Complete **Community Needs Assessment** Questionnaire and return to NWKP&DC. If one is on file, identify current needs within the community.
August 21, 2015	**Final Preliminary Engineering Report and Project Cost Estimate** must be sent by Engineer to NWKP&DC. Submit **photographs** and **supporting documentation** to NWKP&DC.
August 28, 2015	Review and confirm application **Budget and Scope of Work** sections, etc. Provide firm **Written Letter of Commitment** from source of matching funds to NWKP&DC. Complete **Taxes, User Fees, Budget Data** to NWKP&DC.
August - Early September, 2015	**Publish Public Hearing Notice** - Must confirm specific deadlines for publication in legal newspaper allowing five full days starting one day after publication and not counting the date of the hearing, but no more than 20 days before the date of the hearing.
September 15, 2015	Last eligible date for required **Public Hearing**.
September 22, 2015	Provide NWKP&DC with an **original affidavit of publication** for the Public Hearing Notice. Approve and sign all **application documents and resolutions** – original forms to NWKP&DC office.
September 30, 2015	**Application Deadline**—Must be postmarked on or before date.

***Grant Awards for CDBG Water/Sewer will be announced on or about January 14, 2016. Communities assisted by our office for FY 2016 CDBG Application preparations are requested to respect these timeframe guidelines. Timely planning is essential to a successful grant application.**

Dates for 2016 COMMUNITY FACILITIES
Grant Application Preparation

Immediately	Discuss and confirm plans for **proposed project** with NWKP&DC staff. Begin **Low-to-Moderate Income** Survey or documentation of Project Beneficiaries. Begin **Request for Qualifications** procedure [i.e. Project Engineer, Architect (if applicable)]. Begin **Land Acquisition** procedures (if applicable).
Immediately	**Project identified** and eligibility confirmed with NWKP&DC staff. Identify anticipated source(s) of matching funds and define responsible parties for applications. Notify NWKP&DC of selection of Engineer or Architect (if RFQ was not done).
July 1, 2015	First eligible date for required Public Hearing.
September 1, 2015	**Project Cost Estimate and proposed Scope of Work** to NWKP&DC. Confirm source(s) and amount(s) of anticipated **matching funds.**
September 1, 2015	Complete **LMI Survey Tabulation** and return to NWKP&DC.
September 1, 2015	Complete and submit **Taxes, User Fees**, and **Budget Data.** Complete **Community Needs Assessment** Questionnaire and return to NWKP&DC. If one is on file, identify current needs within the community.
September 18, 2015	Final **Preliminary Engineering Report** must be sent by Engineer/Architect to NWKP&DC. Submit photographs and supporting documentation to NWKP&DC.
September 18, 2015	Review and confirm application **Budget and Scope of Work** sections, etc. Provide firm **Written Letter of Commitment** from source of matching funds to NWKP&DC.
Mid September - Early October, 2015	**Publish Public Hearing Notice** - Must confirm specific deadline for publication in legal newspaper allowing five full days starting one day after publication and not counting the date of the hearing, but no more than 20 days before the date of the hearing.
October 18, 2015	Final eligible date for required **Public Hearing**.
October 24, 2015	Provide NWKP&DC with an **original affidavit of publication** for the Public Hearing Notice. Approve and sign all **application documents and resolutions** – original forms to NWKP&DC office.
November 2, 2015	**Application Deadline**—Must be postmarked on or before date.

***Grant Awards for CDBG Community Facilities will be announced on or about January 26, 2016.**
***Communities assisted by our office for FY 2016 CDBG Application preparations are requested to respect these timeline guidelines. Timely planning is essential to a successful grant application.**

City of Phillipsburg

Flexible Benefits Plan Service Agreement

With MII Life Incorporated d/b/a SelectAccount

City of Phillipsburg
Flexible Benefits Plan
Service Agreement
With
MII Life Incorporated

This Agreement ("the Agreement") is between City of Phillipsburg ("City of Phillipsburg") and MII Life, Incorporated dba SelectAccount (the "Parties") for the purpose of providing administrative services for the Medical Flexible Spending Account Plan ("Medical FSA") and the Dependent Care Flexible Spending Account Plan ("Dependent Care FSA") under the City of Phillipsburg Flexible Benefits Program (the "Plan").

This Agreement is effective as of January 1, 2016. SelectAccount, by accepting this Agreement, agrees to provide the services for the Plan as described in this Agreement. SelectAccount is not an attorney, tax advisor or investment advisor and does not render legal, tax or investment advice in connection with the creation, adoption or operation of the Plan. City of Phillipsburg will seek the advice of counsel, as needed, as to matters that might arise in connection with design, adoption or operation of the Plan.

SelectAccount is a corporation organized and domiciled in Minnesota and is authorized by law to provide administrative services to an employer with respect to employee benefits for its employees. SelectAccount has a bond that complies with section 412 of the Employee Retirement Income Security Act of 1974 ("ERISA").

SERVICES TO BE PROVIDED BY SELECTACCOUNT

City of Phillipsburg, as Plan Administrator of the Plan, delegates to SelectAccount the authority to perform the administrative services described in this Agreement in connection with the administration and operation of the Plan. SelectAccount agrees to provide the services described below on behalf of City of Phillipsburg and at the direction of City of Phillipsburg's designated Plan Administrator in exchange for the payment of the administrative fees set forth in Attachment A, as amended from time to time.

1. Administrative Services.

   a) SelectAccount will arrange for an initial administrative meeting at a time and place and with individuals designated by City of Phillipsburg to discuss the options for plan design.

   b) Upon client request and subject to additional fees as set forth in Attachment A, SelectAccount will provide onsite employee enrollment communication meetings.

   c) SelectAccount will provide general administrative, accounting, record keeping, claims processing, fiscal and other related services to the Plan Administrator.

   d) SelectAccount will record additions, changes, and terminations permitted under the Plan including participant demographic information and account elections. City of Phillipsburg will furnish this information to SelectAccount in a format acceptable to SelectAccount. If City of Phillipsburg fails to provide the enrollment information to SelectAccount in a timely fashion, claim payments may be affected.

   e) SelectAccount will record payroll contributions made by participants for the Medical FSA and Dependent Care FSA. SelectAccount will use payroll deduction information to record contributions for record keeping and claim payment purposes. City of Phillipsburg will furnish this information to SelectAccount in a format acceptable to SelectAccount. If City of Phillipsburg fails to provide the payroll deduction information to SelectAccount in a timely fashion, claim payments will be delayed accordingly.

   f) Upon a Plan participant's submission of Medical FSA or Dependent Care FSA claims to SelectAccount, SelectAccount will provide the claims administration services listed below.

      i. SelectAccount will screen each claim for completeness, validity of date(s) of service and eligibility of expense according to the Internal Revenue Code of 1986, as amended (the "Code"), Internal Revenue Service rules and the Plan document.

ii. SelectAccount will produce an Explanation of Claim Payment report following each processing that details the benefit determination of each claim item.

iii. SelectAccount will issue a check payable to the participant or directly deposit reimbursement into the participant's bank account.

iv. SelectAccount will send the Explanation of Claim Payment and the check or direct deposit notification to the participant using a process acceptable to SelectAccount such as secured Email or mailed directly to the participant's home address.

v. SelectAccount will process claims according to the following schedule: Daily. Completed claims will be reimbursed within 5 working days of the claim processing date or the date payroll deduction information is received, whichever is later.

vi. SelectAccount will have discretionary authority and fiduciary responsibility for provision of full and fair review of claims, claim denials and appeals pursuant to Section 503 of ERISA and will provide a mechanism for appeals of denied claims as required under ERISA and applicable regulations. If a claim is denied, SelectAccount will notify the claimant of such denial and the reasons for denial in compliance with the requirements of ERISA and applicable regulations. Plan Administrator will promptly submit to SelectAccount any request it receives for a review of a claim for benefits that has been denied, in order that SelectAccount may provide a full and fair review of the claim.

g) SelectAccount shall use reasonable care and due diligence in the exercise of its powers and the performance of its duties under this Agreement. If SelectAccount makes any payment under this Agreement to an ineligible person, or if more than the correct amount is paid, SelectAccount shall make a diligent effort to recover any payment made to or on behalf of an ineligible person or any overpayment. However, SelectAccount will not be liable for such payment, unless SelectAccount would otherwise be liable under another provision of this Agreement.

2. Reports, Documents and Testing.

SelectAccount shall provide the reports, documents, and testing described in this section via electronic format whenever possible. If electronic distribution by SelectAccount is available, the Plan Administrator may still request and receive paper mailing and distribution subject to additional fees paid by the Plan Administrator.

a) SelectAccount will electronically provide a Participant Activity Report to the Plan Administrator indicating all Plan participants and their election amounts in the Medical FSA and the Dependent Care FSA. This report also shows year-to-date

payroll deduction information, year-to-date claim reimbursement information and current account balance information. This report is generated at the beginning of the Plan year, following the end of each month during the Plan year and following the end of each month during the Plan run-out period.

b) SelectAccount will electronically provide a weekly Employee Payment Information Report to the Plan Administrator. This report shows each participant who received payment for claims and the total amount of the reimbursement split by account type and separated by Plan year. The accompanying Employee Payment Information Summary Report can be used by City of Phillipsburg to reimburse SelectAccount for the claim payments made to participants.

c) SelectAccount will distribute an Annual Statement to each participant with a Medical FSA and/or Dependent Care FSA at the end of the third quarter of the plan year via mail or secured web as selected by the participant. This report shows the contributions made by such participant and reimbursements paid to the participant from the beginning of the Plan year through the quarter end date, the participant's account balance as of the quarter end date and information regarding the Plan year run-out period. Account statements for other specific date periods will be available via secured web access.

d) SelectAccount will make an Account Transactions Report available to each participant that summarizes the current account balance for each account the participant has and provides claim detail information for all reimbursements issued through each account. This report is available via secured web access or upon request from SelectAccount's customer service staff.

e) SelectAccount will electronically provide the Plan Administrator with such claim or statistical information as may be reasonably required by and legally provided to the Plan Administrator (subject to the provisions of the "Protected Health Information" section of this Agreement).

f) SelectAccount will electronically provide documents of communications materials necessary to communicate the Plan to participants and for use by the Plan Administrator in developing and maintaining any ERISA required Summary Plan Descriptions, when applicable. SelectAccount will provide the Plan Administrator with the following employee communication materials: employee brochure (pre-enrollment) and verification packet (post-enrollment).

g) SelectAccount shall furnish City of Phillipsburg documents to be reviewed by City of Phillipsburg with its legal counsel, for creation of customized documentation for the Plan to be approved and executed by City of Phillipsburg, including summary plan descriptions (SPD's), plan documents and plan amendments (if any). SelectAccount will not provide legal and or tax advice regarding changes to the documents requested by City of Phillipsburg.

h) SelectAccount will, upon request, provide City of Phillipsburg with information necessary for City of Phillipsburg to prepare Forms 5500 and other documentation necessary to fulfill reporting and disclosure requirements under ERISA and provide the Plan Administrator with such accounting and other information at such times as necessary for the Plan Administrator to file reports required in connection with ERISA.

i) SelectAccount will, upon request, assist in performing nondiscrimination tests for the following three Section 125 objective nondiscrimination tests using information provided by City of Phillipsburg. Please see the nondiscrimination testing worksheet for definition of Code terms included below.

(a) Section 125 25% Concentration Test. This test is intended to determine whether no more than 25% of the aggregate of the statutory nontaxable benefits provided to all employees under all the Plans may be provided to key employees.

(b) Section 129 25% Concentration Test (Dependent Care Spending Account) This test is intended to determine whether no more than 25% of the amounts paid or incurred by City of Phillipsburg for dependent care assistance during the year may be provided for the class of individuals who are shareholders or owners (or their spouses or dependents).

(c) Section 129 55% Average Benefits Test (Dependent Care Spending Account) This test is intended to determine whether the average benefits provided to employees who are not highly compensated under all plans of City of Phillipsburg must be at least 55% of the average benefits provided to highly compensated employees under all plans of the employer.

3. HIPAA. SelectAccount will comply with the HIPAA business associate provisions in Attachment B.

City of Phillipsburg's OBLIGATIONS

1) Serve as Plan Administrator. City of Phillipsburg, as the Plan Administrator, determines eligibility to participate in the Plan and retains final authority for purposes of all disputed claims. City of Phillipsburg will promptly advise SelectAccount if City of Phillipsburg disagrees with any interpretation or claim determination under the Plan and issue written instructions to SelectAccount concerning the future interpretation and application of Plan provisions.

2) Handle Enrollment Activities. City of Phillipsburg will notify employees of their eligibility to participate in the Plan and perform enrollment activities. City of Phillipsburg will announce the Plan and work in cooperation with SelectAccount to arrange the initial employee enrollment communication meetings. City of Phillipsburg will adjust payroll records to accommodate the Plan. City of Phillipsburg will timely notify SelectAccount of all additions and terminations of participants, and changes in coverage and other changes that may affect the validity of claim payments by SelectAccount so that SelectAccount can change its enrollment records and accurately pay claims.

3) Plan Design. City of Phillipsburg retains the sole authority, discretion and responsibility to determine the terms of the Plan and to ensure that the Plan provisions comply with ERISA, the Code and other laws.

4) Notify SelectAccount of Plan Changes. City of Phillipsburg will notify SelectAccount, in writing, of any modification or amendment of the Plan prior to the proposed effective date of the change. Any costs to SelectAccount to implement any material change in the services to be performed by SelectAccount under this Agreement, may be paid by City of Phillipsburg pursuant to prior written agreement between the Parties.

5) Claim Reimbursement Payment Schedule.

   a) SelectAccount shall process and pay claims on an ongoing basis. Each week SelectAccount shall bill City of Phillipsburg for claims paid on their behalf. Claims reimbursement payments shall become due and payable two (2) business days after the receipt of invoice. All other payments owed to SelectAccount shall become due and payable twenty (20) calendar days after the receipt of invoice. If payments are not received in a timely manner, SelectAccount may suspend processing of claims until payment is received.

   b) All related payments will be made through the use of Automated Clearing House or any other payment process approved by SelectAccount. If City of Phillipsburg utilizes claim payment through the use of ACH, City of Phillipsburg is responsible for maintaining a sufficient fund balance in their ACH account to cover these drafts.

LIMITATION OF LIABILITY AND INDEMNIFICATION

1) City of Phillipsburg agrees that all information supplied to SelectAccount by City of Phillipsburg will be accurate and that SelectAccount may reasonably rely upon it without any obligation for further inquiry. City of Phillipsburg will be responsible for any losses or damages, including adverse tax consequences, resulting from any action taken or not taken by SelectAccount in reliance on such information or any other action taken or not taken, except as a result of an act or omission by SelectAccount that was criminal, fraudulent, dishonest or grossly negligent. City of Phillipsburg agrees to hold SelectAccount harmless and to indemnify SelectAccount from any such losses or damages, including payment of reasonable attorney's fees, except as otherwise limited above.

2) SelectAccount will perform its duties and obligations under this Agreement in a timely fashion and with the level of care that a similarly-situated claims administrator would exercise under similar circumstances. To the extent that SelectAccount functions as a fiduciary, as that term is defined under ERISA, it will discharge its duties with respect to the Plan solely in the interest of Plan participants. SelectAccount agrees to hold City of Phillipsburg harmless and to indemnify City of Phillipsburg from any such losses or damages, including payment of reasonable attorney’s fees, incurred as a result of any an act or omission by SelectAccount that was criminal, fraudulent, dishonest or grossly negligent.

3) SelectAccount is not, in any way, to be deemed an insurer, underwriter or guarantor with respect to any benefits payable under the Plan. SelectAccount generally provides reimbursement services only and does not assume any financial risk or obligation with respect to claims for benefits payable by Employer under the Plan. Nothing herein shall be deemed to constitute SelectAccount as a party to the Plan or to confer upon SelectAccount any authority or control respecting management of the Plan, authority or responsibility in connection with administration of the Plan, or responsibility for the terms or validity of the Plan. Nothing in this Agreement shall be deemed to impose upon SelectAccount any obligation to any employee of Employer or any person who is participating in the Plan.

TERM AND TERMINATION

1) Service Year. The initial Service Year of this Agreement will begin on January 1, 2016 and end on December 31, 2016. This Agreement replaces and supercedes all prior Agreements, if any, between SelectAccount and City of Phillipsburg Each Service Year thereafter will begin on each January 1 and end on each December 31 in the next succeeding service year.

2) Automatic Renewal. This Agreement will automatically renew for an additional Service Year on the day following the last day of the prior Service Year unless the Parties have replaced this Agreement with a new Agreement or this Agreement is terminated as outlined below. If the Agreement is renewed for an additional Service Year, the Parties will be obligated to provide services and make payments for services as set forth in this Agreement and the Attachments.

3) Termination for Material Breach. Either Party may terminate this Agreement effective upon written notice to the other Party in the event of material breach, which includes, but is not limited to, (a) failure to pay any amounts when due under this Agreement so long as such default is not cured within a mutually agreed upon time period, or SelectAccount has a reasonable expectation that such default will not be cured, (b) failure to provide services under this Agreement and (c) HIPAA violations as set forth in Attachment B. In all situations where a Party elects to terminate this Agreement as a result of the material breach of the other Party, the non-breaching Party may, in its sole discretion, provide the breaching Party with a grace period to cure its breach, but such grace period shall not waive any of the rights or remedies the non-breaching Party has against the breaching Party.

4) Termination without Cause. This Agreement may be terminated by either Party at any time, by giving written notice to the other Party at least sixty (60) days prior to the termination date. SelectAccount will discontinue processing and payment of claims and utilize its usual and customary procedures to forward to City of Phillipsburg all claims that remain unpaid on the date of termination.

5) Obligations after Termination. Subject to the provisions set forth in Attachment B, SelectAccount will have no responsibility for administration of the Plan on and after the termination of this Agreement. In the event the Employer terminates this agreement, SelectAccount will either work with the new vendor to transition the claims during the run out period or SelectAccount and the Employer will mutually negotiate and agree to a reasonable fee arrangement for claims processed during the run out period by SelectAccount. City of Phillipsburg will remain responsible for any outstanding/owed fees to SelectAccount.

GENERAL TERMS

1) Assignment of the Agreement. This Agreement may not be assigned by SelectAccount or City of Phillipsburg without the prior written consent of the other Party, which will not be unreasonably withheld. Any attempt to assign, in total, the rights, duties or obligations under this Agreement without such consent will be void and may, at the option of the other Party, constitute a material breach. Notwithstanding this prohibition on assignment of the entire Agreement, either Party may subcontract with another entity to perform specific services described herein (whether or not the right to subcontract has been specifically reserved) without consent of the other Party but will remain wholly responsible for the performance of such subcontracted services.

2) Notices. All notices required or permitted to be given by this Agreement will be in writing and will be made by first class mail or overnight delivery to SelectAccount and City of Phillipsburg at the respective addresses stated below:

City of Phillipsburg:

Attention: Brenda Chance
945 2nd St
PO Box 447
Phillipsburg, KS 67661

SelectAccount:

Attention:
SelectAccount Vice President, Compliance and Risk Management
PO Box 64193
St. Paul, MN 55164

Either SelectAccount or City of Phillipsburg may change its address for receiving notices upon ten (10) days advance written notice to the other Party.

3) Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions will not in any way be affected or impaired thereby.

4) Status of an Independent Contractor. The Parties make this Agreement and will function as independent contractors and not as an agent of one another. Neither Party will state or imply the contrary to anyone. The employees and agents of each Party will not be treated for any purpose as the agents or employees of the other Party.

5) Mandatory Arbitration. City of Phillipsburg and SelectAccount agree that any dispute related to or arising between the Parties under this Agreement will be subject to mandatory, binding arbitration to be held in the county of Dakota, state of Minnesota. The arbitration panel will consist of three arbitrators, one selected by City of Phillipsburg, one selected by SelectAccount and the third mutually agreed upon by City of Phillipsburg and SelectAccount. Should the Parties be unable to agree on a third arbitrator, the

Parties agree that the "alternate striking" procedures of the American Arbitration Association will be used to select the third arbitrator for the Parties. The Parties may also agree to have only the third arbitrator or another person selected by the Parties conduct the arbitration.

With respect to damages awarded in arbitration, the arbitration panel may award only reasonable compensatory damages and may not award punitive damages, liquidated damages, any multiple of compensatory damages or any other award in excess of compensatory damages.

6) Governing Law/Exclusive Jurisdiction. Except as they may be subject to federal law (including the Code and ERISA), any questions, claims, disputes or litigation concerning or arising from this Agreement will be governed by the laws of the State of Minnesota. Although the Parties agree to mandatory, binding arbitration, should any litigation ensue, the Parties agree that a federal court within the State of Minnesota will be the exclusive forum for litigation regarding the interpretation or enforcement of this Agreement, unless the federal court determines that it does not have jurisdiction over the subject matter of the dispute, in which case the Parties agree that any action will be brought in a state court in Minnesota.

7) Errors and Omissions. It is understood and agreed that neither Party will be prejudiced in any way due to clerical error, omission, accident or oversight in connection with formulation or execution of this Agreement provided that corrections are reported to the other Party as soon as discovered.

8) Entire Agreement and Integration. This Agreement (including any Attachments) constitutes the entire, final agreement between SelectAccount and City of Phillipsburg and supersedes any previous agreement between the Parties with respect to the administrative services for the Plan. Each Party acknowledges that it has not relied on any representations from the other Party that are not set forth in this Agreement. No modification or amendment of this Agreement (or any Attachment) is valid unless made in writing and signed by both Parties.

9) Construction. It is fully understood and agreed to by both Parties that this Agreement will not be construed against SelectAccount as the drafter of the Agreement.

10) Audit. Upon sixty (60) days advance written notice by Employer, SelectAccount agrees to provide Employer's designated auditor with access to information needed to conduct an audit of records maintained by SelectAccount related to Member eligibility, Claims or customer service. The initial notice to SelectAccount will state the scope of the audit, identify the information that is needed, and propose sampling methodologies. The audit will be limited to the Servicing Year in which the audit is conducted and the immediately preceding Servicing Year. The Parties agree to collaborate in good faith to develop an agreement that meets the needs of both Parties and outlines the agreed upon terms for conducting the audit. All auditors will be required to adhere to SelectAccount's procedures for maintaining the security of all information furnished by SelectAccount, and required to sign confidentiality agreements prior to the release of any information

by SelectAccount. Any third party auditor must be acceptable to SelectAccount. SelectAccount will be entitled to receive copies of the draft and final audit reports, and will have the right to review and comment on audit findings prior to or simultaneous with the release of such report to Employer. SelectAccount's comments will be noted in the final report. Audits requested by Employer will be limited to one every two years. Employer will bear any expenses incurred by Employer or its auditor. Employer will also reimburse SelectAccount for its costs for any on-site audit that exceeds two business days. Employer will be charged for additional audits based on the actual cost to SelectAccount.

11) Acceptance of Terms. Payment to SelectAccount by City of Phillipsburg (either through direct check or Account transaction) made at least seven (7) days following receipt of this Service Agreement for services described in the Agreement will signify Employer's acceptance of all terms, conditions and obligations of this Agreement. Acceptance will be effective on the Effective Date of this Agreement.

City of Phillipsburg
Flexible Benefits Plan
Service Agreement
With
MII LIFE INCORPORATED

SIGNATURES

Date: _____

City of Phillipsburg - FSA

Signed:_____

Name:_____

Title:_____

SelectAccount

Accepted:_____
Reed Erickson

Title: Vice President, Compliance and Risk Management

City of Phillipsburg
Flexible Benefits Plan
Service Agreement
With
MII LIFE INCORPORATED

ATTACHMENT A

FEES

This Attachment A to the Agreement between City of Phillipsburg ("City of Phillipsburg") and MII Life Incorporated d/b/a SelectAccount (the "Parties") describes the fees payable to SelectAccount under such Agreement.

LIMITATION OF FEE SCHEDULE

The fees stated in this Attachment A assume that services provided by SelectAccount under the Agreement will be subject to a normal amount of change activity due to normal Plan enrollment changes. If changes beyond this level occur, however, SelectAccount reserves the right to notify City of Phillipsburg and negotiate modified fees to accommodate the changes. Examples of changes that may extend beyond normal Plan enrollment activities include, but are not limited to, the addition of operating units or subsidiaries. Any fee modifications will be submitted to City of Phillipsburg, in writing, prior to the effective date of any such proposed modification.

The fees set forth in this Attachment A are subject to change at the beginning of any Plan year upon 60 days prior written notice to City of Phillipsburg. SelectAccount must receive acceptance of the renewal terms prior to beginning work on renewal year activity (such as preparation of enrollment forms and enrollment meetings).

Any modification to the services provided under the Agreement and the corresponding fees for such services, as set forth in this Attachment A, must be in a written addendum to the Agreement that is signed by both Parties.

SelectAccount reserves the right to charge City of Phillipsburg its prevailing hourly rate if inaccurate information is communicated to SelectAccount that necessitates duplicate communication or record keeping functions.

Administrative Fees

City of Phillipsburg will pay SelectAccount the following Administrative Fees for the services SelectAccount provides under the Agreement.

Monthly Per Participant Fee	**$4.50**	**per participant**
Annual Nondiscrimination Testing Fee	**$250.00****	**for the Plan**

If payments are not received in a timely manner, SelectAccount may suspend processing of claims until payment is received. The Monthly Per Participant Fee is based on the number of participants in the Plan who have either a Medical FSA, a Dependent Care FSA (or both) as of the last day of the prior month. SelectAccount will submit a bill to City of Phillipsburg for by the 15th day of each month for the Monthly Per Participant Fee owed for such month. If you are utilizing ACH for the payment of Account Fees, your group billing contact will be notified via email that an ACH pull has been scheduled and fees will be withdrawn from your bank account within two business days. The billing contact will receive one email notification per invoice generated. City of Phillipsburg should review bill immediately upon receipt and notify SelectAccount within sixty (60) calendar days of any adjustments to participant's fees. Requests for adjustment after sixty (60) calendar days will not be accepted.

**This is an optional fee that is required if you request the Nondiscrimination Testing to be performed by SelectAccount.

City of Phillipsburg
Flexible Benefits Plan
Service Agreement
With
MII LIFE INCORPORATED

ATTACHMENT B

BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum ("**BAA**") between **MII Life Incorporated d/b/a SelectAccount** ("**Business Associate**") and City of Phillipsburg ("**Covered Entity**") is attached to and made part of the City of Phillipsburg Flexible Benefits Plan Service Agreement with MII Life Incorporated **(the "Agreement")** as such agreement may be renewed from time to time. Business Associate and Covered Entity agree that this BAA replaces any prior Business Associate Agreements or prior Attachment B's.

Covered Entity and Business Associate mutually agree to comply with the requirements of the implementing regulations of the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**"), as modified by the Health Information Technology for Economic and Clinical Health Act (the "**HITECH Act**"). Specifically, the "HIPAA Rules" means the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 106 and Part 164. The HIPAA Privacy Rule is the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and 164, subparts A and E. The HIPAA Security Rule is the HIPAA Security Standards at 54 CFR Parts 160 and 164, Subpart C. The HIPAA Breach Notification Rule is the Notification in the Case of Breach of Unsecured Protected Health Information, as set forth at 45 CFR Part 164, subpart D. Business Associate recognizes and agrees that it is obligated by law to meet the applicable provisions of the HIPAA Rules.

I. Privacy of Protected Health Information.

A. Permitted Uses and Disclosures. Business Associate is permitted to use and disclose Protected Health Information ("**PHI**") that it creates or receives on Covered Entity's behalf or receives from Covered Entity (or another business associate of Covered Entity) and to request PHI on Covered Entity's behalf (collectively, "**Covered Entity's PHI**") only as follows:

1. Functions and Activities on Covered Entity's Behalf. To perform functions, activities, services, and operations on behalf of Covered Entity, consistent with the Privacy Rule. More specifically, except as otherwise limited in this BAA, Business Associate is permitted to use and disclose PHI to perform the functions, activities, or services for, or on behalf of, Covered Entity as specified in the above named Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of Covered Entity.

2. Business Associate's Operations. For Business Associate's proper management and administration or to carry out Business Associate's

legal responsibilities, provided that, with respect to disclosure of Covered Entity's PHI, either:

a. The disclosure is Required by Law; or

b. Business Associate obtains reasonable assurance (and, upon request of Covered Entity, provides written evidence of such assurance) from any person or entity to which Business Associate will disclose Covered Entity's PHI that the person or entity shall:

1. Hold Covered Entity's PHI in confidence and use or further disclose Covered Entity's PHI only for the purpose for which Business Associate disclosed Covered Entity's PHI to the person or entity or as Required by Law; and

2. Immediately (and no later than three (3) days after the suspected or known breach) notify Business Associate (who shall in turn notify Covered Entity in accordance with Section III.D of this BAA) of any instance of which the person or entity becomes aware in which the confidentiality of Covered Entity's PHI was breached.

B. **Minimum Necessary and Limited Data Set.** Business Associate's use, disclosure or request of PHI shall utilize a Limited Data Set if practicable. Otherwise, Business Associate shall, in its performance of the functions, activities, services, and operations specified in Section I.A.1above, make reasonable efforts to use, to disclose, and to request of a Covered Entity only the minimum amount of Covered Entity's PHI reasonably necessary to accomplish the intended purpose of the use, disclosure or request. In addition, Business Associate agrees to implement and follow appropriate minimum necessary policies in the performance of its obligations under this BAA.

C. **Prohibition on Unauthorized Use or Disclosure.** Business Associate shall neither use nor disclose Covered Entity's PHI, except as permitted or required by this BAA or in writing by Covered Entity or as Required by Law. This BAA does not authorize Business Associate to use or disclose Covered Entity's PHI in a manner that will violate 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information" ("**Privacy Rule**") if done by Covered Entity, except as set forth in Section I.A.2 of this BAA.

1. Sale of PHI Prohibited. Business Associate shall not directly or indirectly receive any remuneration in exchange for Covered Entity's PHI.

2. Marketing of PHI. Business Associate shall not directly or indirectly receive any remuneration for any use or disclosure of PHI for marketing purposes.

D. **Information Safeguards.**

1. **Privacy of Covered Entity's PHI.** Business Associate shall develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of Covered Entity's PHI. The

safeguards must reasonably protect Covered Entity's PHI from any intentional or unintentional use or disclosure in violation of the Privacy Rule, 45 CFR Part 164, Subpart E and this BAA, and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this BAA. Business Associate shall document such safeguards, and, upon request, provide such safeguards to Covered Entity.

2. **Security of Covered Entity's Electronic PHI**. Business Associate shall develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic PHI that Business Associate creates, receives, maintains, or transmits on Covered Entity's behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C. Business Associate also shall develop and implement policies and procedures and meet the Security Rule documentation requirements. Upon request, Business Associate shall provide such policies and procedures to Covered Entity. Business Associate shall encrypt all portable media on which Electronic PHI is stored, using a non-proprietary algorithm of at least 256-bit cipher strength.

E. **Subcontractors and Agents.** Business Associate shall require any of its subcontractors and agents, to which Business Associate is permitted by this BAA or in writing by Covered Entity to disclose Covered Entity's PHI, to provide reasonable assurance (and, upon request of Covered Entity, provide written evidence of such assurance) that such subcontractor or agent will comply with the same privacy and security safeguard obligations with respect to Covered Entity's PHI that are applicable to Business Associate under this BAA.

F. **State Law Compliance.** Business Associate shall comply with all applicable state laws not preempted pursuant to 45 Code of Federal Regulations Part 160, Subpart B.

II. **Compliance with Transaction Standards.** If Business Associate conducts in whole or part electronic Transactions on behalf of Covered Entity for which DHHS has established Standards, Business Associate shall comply, and shall require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. Business Associate shall not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of Covered Entity that:

A. Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;

B. Adds any data element or segment to the maximum defined data set;

C. Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or

D. Changes the meaning or intent of the Standard Transaction's implementation specification.

III. **Individual Rights**.

A. **Access.** Business Associate shall, within ten (10) days following Covered Entity's request, make available to Covered Entity or, at Covered Entity's direction, to an individual (or the individual's personal representative) for inspection and obtaining copies Covered Entity's PHI about the individual that is in Business Associate's custody or control, consistent with the requirements of 45 CFR Section 164.524, so that Covered Entity may meet its access obligations under 45 C.F.R. § 164.524. Business Associate shall make such information available in an electronic format where directed by Covered Entity.

B. **Amendment.** Business Associate shall, upon receipt of written notice from Covered Entity, promptly amend or permit Covered Entity access to amend any portion of Covered Entity's PHI, so that Covered Entity may meet its amendment obligations under 45 C.F.R. § 164.526.

C. **Disclosure Accounting.** So that Covered Entity may meet its disclosure accounting obligations under 45 C.F.R. § 164.528, Business Associate shall record the following information ("**Disclosure Information**") for each disclosure of Covered Entity's PHI, that Business Associate makes to Covered Entity or to a third party.

1. **Disclosure Information Generally.** Except for repetitive disclosures of Covered Entity's PHI as specified in Section III.C.2 below and for disclosures for large research studies as specified in Section III.C.3 below, the Disclosure Information that Business Associate must record for each accountable disclosure are the requirements set forth in the HIPAA Privacy Rule, including but not limited to: (i) the disclosure date, (ii) the name and (if known) address of the entity to which Business Associate made the disclosure, (iii) a brief description of Covered Entity's PHI disclosed, and (iv) a brief statement of the purpose of the disclosure.

2. **Disclosure Information for Repetitive Disclosures.** For repetitive disclosures of Covered Entity's PHI that Business Associate makes for a single purpose to the same person or entity (including Covered Entity), the Disclosure Information that Business Associate must record is either the Disclosure Information specified in Section III.C.1 above for each accountable disclosure, or (i) the Disclosure Information specified in Section III.C.1 above for the first of the repetitive accountable disclosures, (ii) the frequency, periodicity, or number of the repetitive accountable disclosures, and (iii) the date of the last of the repetitive accountable disclosures.

3. **Disclosure Information for Large Research Activities.** For disclosures of Covered Entity's PHI that Business Associate makes for particular Research involving 50 or more individuals and for which an Institutional Review Board or Privacy Board has waived authorization during the

period covered by an individual's disclosure accounting request, the Disclosure Information that Business Associate must record is (i) the name of the Research protocol or activity, (ii) a plain language description of the Research protocol or activity, including its purpose and criteria for selecting particular records, (iii) a brief description of the type of Covered Entity's PHI disclosed for the Research, (iv) the dates or periods during which Business Associate made or may have made these disclosures, including the date of the last disclosure that Business Associate made during the period covered by an individual's disclosure accounting request, (v) the name, address, and telephone number of the Research sponsor and of the researcher to whom Business Associate made these disclosures, and (vi) a statement that Covered Entity's PHI relating to an individual requesting the disclosure accounting may or may not have been disclosed for a particular Research protocol or activity. Business Associate shall, upon request of Covered Entity or an individual requesting the disclosure accounting, assist Covered Entity or the individual to contact the Research sponsor and the researcher if it is reasonably likely that Covered Entity's PHI relating to the individual was disclosed for the particular Research protocol or activity.

D. **Reporting of Disclosure Information.** Business Associate shall report the Disclosure Information to Covered Entity within five (5) days following the accountable disclosure.

E. **Maintenance of Disclosure Information.** Unless otherwise provided by applicable law, Business Associate shall maintain the Disclosure Information for at least 11 years following the date of the accountable disclosure to which the Disclosure Information relates.

F. **Restriction Agreements and Confidential Communications.** Business Associate shall comply with any agreement that Covered Entity makes that either (i) restricts use or disclosure of Covered Entity's PHI pursuant to 45 C.F.R. § 164.522(a), or (ii) requires confidential communication about Covered Entity's PHI pursuant to 45 C.F.R. § 164.522(b), provided that Covered Entity notifies Business Associate in writing of the restriction or confidential communication obligations that Business Associate must follow. Covered Entity will promptly notify Business Associate in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct Business Associate whether any of Covered Entity's PHI will remain subject to the terms of the restriction agreement.

IV. **Privacy Obligation Breach and Security Incidents**.

A. **Reporting.**

1. **Privacy Breach.** Business Associate shall report to Covered Entity any use or disclosure of Covered Entity's PHI not permitted by this BAA or in writing by Covered Entity. In addition, Business Associate shall report, following discovery and without unreasonable delay, but in no event later

than five (5) days following discovery, any "Breach" of "Unsecured Protected Health Information" as these terms are defined by the Breach Notification Regulation. Upon Covered Entity's request, Business Associate shall perform a risk assessment to determine whether there is a low probability that the PHI has been compromised pursuant to the Breach Notification Regulation. Business Associate shall provide documentation relating to the risk assessment when Business Associate reports the Breach to Covered Entity. If the Covered Entity determines that notice to the individual(s), media or HHS is required, Business Associate shall be responsible for any and all costs relating to such notice. Business Associate shall cooperate with Covered Entity in investigating the Breach and in meeting the Covered Entity's obligations under the Breach Notification Regulation, and any other security breach notification laws.

2. Any such report will include the identification (if known) of each individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such Breach. Business Associate shall make the report to Covered Entity's Privacy Officer not more than five (5) days after Business Associate learns of such non-permitted use or disclosure. Business Associate's report will at least:

a. Identify the nature of the non-permitted access, use or disclosure, including the date of the Breach and the date of discovery of the Breach;

b. Identify Covered Entity's PHI accessed, used or disclosed as part of the Breach (e.g., full name, social security number, date of birth, etc.);

c. Identify who made the non-permitted access, use or disclosure and who received the non-permitted disclosure;

d. Identify what corrective action Business Associate took or will take to prevent further non-permitted access, uses or disclosures;

e. Identify what Business Associate did or will do to mitigate any deleterious effect of the non-permitted access, use or disclosure; and

f. Provide such other information, including a written report, as Covered Entity may reasonably request.

B. **Security Incidents.** The Security Rules define a "Security Incident" as an attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system, involving electronic PHI **("e-PHI")** that is created, received, maintained or transmitted by or on behalf of a Party. Since the Security Rules include attempted unauthorized access, use, disclosure, modification or destruction of information, Covered Entity needs to have notice of attempts to

bypass electronic security mechanisms. The Parties recognize and agree that the significant number of meaningless attempts to, without authorization, access use, disclose, modify or destroy e-PHI will make a real-time reporting requirement formidable for Business Associate. Therefore, the Parties agree to the following reporting procedures for Security Incidents that result in unauthorized access, use, disclosure, modification or destruction of information or interference with system operations **("Successful Security Incidents")** and for Security Incidents that do not so result **("Unsuccessful Security Incidents").**

For Unsuccessful Security Incidents, the Parties agree that this paragraph constitutes notice of such Unsuccessful Security Incidents. By way of example, the Parties consider the following to be illustrative of Unsuccessful Security Incidents when they do not result in actual unauthorized access, use, disclosure, modification or destruction of e-PHI or interference with an information system:

- Pings on Business Associate's firewall,
- Port scans,
- Attempts to log on to a system or enter a database with an invalid password or username,
- Denial-of-service attacks that do not result in a server being taken off-line, and
- Malware (worms, viruses, etc.)

Business Associate shall report to Covered Entity any Successful Security Incidents of which Business Associate becomes aware. Business Associate shall make this report upon Covered Entity's request, except if any such security incident resulted in a disclosure of Covered Entity's PHI not permitted by this BAA, Business Associate shall make the report in accordance with Section III.D above.

C. **Mitigation.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this BAA, including, but not limited to, reimbursing Covered Entity for any and all costs related to credit-monitoring of Covered Entity's members.

D. **Termination of BAA.**

1. **Right to Terminate for Breach.** Covered Entity may terminate this BAA (as well as any other agreement to which this BAA is attached) if it determines, in its sole discretion, that Business Associate has breached any provision of this BAA and upon written notice to Business Associate of the breach, Business Associate fails to cure the breach within ten (10) days after receipt of the notice. Covered Entity may exercise this right to terminate this BAA by providing Business Associate written notice of termination, stating the failure to cure the breach of the BAA that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Covered Entity's

notice of termination. If for any reason Covered Entity determines that Business Associate has breached the terms of this BAA and such breach has not been cured, but Covered Entity determines that termination of the BAA is not feasible, Covered Entity may report such breach to the U.S. Department of Health and Human Services.

2. **Termination Upon Expiration or Termination of Related Agreement(s).** In the event any underlying agreement(s) to which this BAA is attached expires or is terminated, this BAA shall also be terminated, effective as the date of the expiration or termination of the underlying agreement(s).

3. Obligations on Termination.

a. Return or Destruction of Covered Entity's PHI as Feasible. Upon termination or other conclusion of this BAA, Business Associate shall, if feasible, return to Covered Entity or destroy Covered Entity's entire PHI in whatever form or medium, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Covered Entity's PHI. Business Associate shall require any subcontractor or agent, to which Business Associate has disclosed Covered Entity's PHI as permitted by Section I.E of this BAA, to if feasible return to Business Associate (so that Business Associate may return it to Covered Entity) or destroy all of Covered Entity's PHI in whatever form or medium received from Business Associate, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Covered Entity's PHI, and certify on oath to Business Associate that all such information has been returned or destroyed. Business Associate shall complete these obligations as promptly as possible, but not later than thirty (30) days following the effective date of the termination or other conclusion of this BAA.

b. Procedure When Return or Destruction Is Not Feasible. Business Associate shall identify any of Covered Entity's PHI, including any that Business Associate has disclosed to subcontractors or agents as permitted by Section I.E of this BAA, that cannot feasibly be returned to Covered Entity or destroyed and explain why return or destruction is infeasible. Where Covered Entity agrees that such return or destruction is infeasible, Business Associate shall limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. If Covered Entity does not agree, subparagraph 3.a. above shall apply. Business Associate shall require such subcontractor or agent to limit its further use or disclosure of Covered Entity's PHI that such subcontractor or agent cannot feasibly return or destroy to those purposes that make the return or destruction of such information infeasible. Business Associate

shall complete these obligations as promptly as possible, but not later than thirty (30) days following the effective date of the termination or other conclusion of this BAA.

c. **Continuing Privacy and Security Obligation.** Business Associate's obligation to protect the privacy and safeguard the security of Covered Entity's PHI as specified in this BAA will be continuous and survive termination or other conclusion of this BAA.

E. Indemnity. Business Associate shall indemnify and hold harmless Covered Entity and any Covered Entity affiliate, officer, director, employee or agent from and against any claim, cause of action, liability, damage, fines, penalties, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted use or disclosure of Covered Entity's PHI or other breach of this BAA by Business Associate or any subcontractor or agent under Business Associate's control.

Covered Entity will indemnify and hold harmless Business Associate and any Business Associate affiliate, officer, director, employee or agent from and against any claim, cause of action, liability, damage, fines, penalties, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted use or disclosure of Covered Entity's PHI or other breach of this BAA by Covered Entity or any subcontractor or agent under Covered Entity's control.

1. **Right to Tender or Undertake Defense.** If Covered Entity is named a party in any judicial, administrative or other proceeding arising out of or in connection with any non-permitted use or disclosure of Covered Entity's PHI or other breach of this BAA by Business Associate or any subcontractor or agent under Business Associate's control, Covered Entity will have the option at any time either (A) to tender its defense to Business Associate, in which case Business Associate shall provide qualified attorneys, consultants, and other appropriate professionals to represent Covered Entity's interests at Business Associate's expense, or (B) undertake its own defense, choosing the attorneys, consultants, and other appropriate professionals to represent its interests, in which case Business Associate will be responsible for and pay the reasonable fees and expenses of such attorneys, consultants, and other professionals.

If Business Associate is named a party in any judicial, administrative or other proceeding arising out of or in connection with any non-permitted use or disclosure of Covered Entity's PHI or other breach of this BAA by Covered Entity or any subcontractor or agent under Covered Entity's control, Business Associate will have the option at any time either (A) to tender its defense to Covered Entity, in which case Covered Entity will provide qualified attorneys, consultants, and other appropriate professionals to represent Business Associate's interests at Covered Entity's expense, or (B) undertake its own defense, choosing the attorneys, consultants, and other appropriate professionals to represent its interests, in which case Covered Entity will be responsible for and pay

the reasonable fees and expenses of such attorneys, consultants, and other professionals.

2. **Right to Control Resolution.** Covered Entity will have the sole right and discretion to settle, compromise or otherwise resolve any and all claims, causes of actions, liabilities or damages against it, notwithstanding that Covered Entity may have tendered its defense to Business Associate. Any such resolution will not relieve Business Associate of its obligation to indemnify Covered Entity under this Section IV.E.

Business Associate will have the sole right and discretion to settle, compromise or otherwise resolve any and all claims, causes of actions, liabilities or damages against it, notwithstanding that Business Associate may have tendered its defense to Covered Entity. Any such resolution will not relieve Covered Entity of its obligation to indemnify Business Associate under this Section IV.E.

V. General Provisions.

A. **Inspection of Internal Practices, Books, and Records.** Business Associate shall make its internal practices, books, and records relating to its use and disclosure of Covered Entity's PHI available to Covered Entity and to DHHS to determine Covered Entity's compliance with the Privacy Rule, 45 C.F.R. Part 164, Subpart E, and the Security Rule.

B. **Definitions.** The terms "Covered Entity," "Electronic Protected Health Information," "Protected Health Information," "Standard," "Trading Partner Agreement," and "Transaction" have the meanings set out in 45 C.F.R. § 160.103. The term "Standard Transaction" has the meaning set out in 45 C.F.R. § 162.103. The term "Required by Law" has the meaning set out in 45 C.F.R. § 164.103. The terms "Health Care Operations," "Payment," "Research," and "Treatment" have the meanings set out in 45 C.F.R. § 164.501. The term "Limited Data Set" has the meaning set out in 45 C.F.R. § 164.514(e). The term "use" means, with respect to PHI, utilization, employment, examination, analysis or application within Business Associate. The terms "disclose" and "disclosure" mean, with respect to PHI, release, transfer, providing access to or divulging to a person or entity not within Business Associate. For purposes of this BAA, Covered Entity's PHI encompasses Covered Entity's Electronic PHI. Any other capitalized terms not identified in this BAA will have the meanings set forth in the HIPAA Rules.

C. **Amendment to BAA.** Upon the compliance date of any final regulation or amendment to final regulation promulgated by DHHS that affects Business Associate's use or disclosure of Covered Entity's PHI or Standard Transactions, this BAA will automatically amend such that the obligations imposed on Business Associate remain in compliance with the final regulation or amendment to final regulation.

D. **Conflicts.** In the event that this BAA is made part of another agreement between the parties, the terms and conditions of this BAA will override and control any conflicting term or condition of such other agreement, provided that this BAA shall

not override any rights of the parties to terminate any such other agreement in accordance with the terms and conditions of such other agreement.

CITY OF PHILLIPSBURG

SELECTACCOUNT FLEXIBLE BENEFIT PLAN DOCUMENT
SIGNATURE PAGE

CITY OF PHILLIPSBURG restates its cafeteria plan by adopting the attached SelectAccount Flexible Benefit Plan and applicable Benefit Summaries (collectively the "Plan Document").

This restatement is effective as of January 1, 2016.

The Company has caused this instrument to be executed by its authorized officer, this _____ day of _____, 2016.

****Please sign and keep this page for your records****

CITY OF PHILLIPSBURG

By: _____

Its: _____

City of Phillipsburg

Flexible Benefit Plan

Plan Document

CITY OF PHILLIPSBURG
SELECTACCOUNT FLEXIBLE BENEFIT PLAN

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ARTICLE I
DESCRIPTION AND PURPOSE

1.1. Plan Name and Purpose.

(A) The Plan name is the "City of Phillipsburg SelectAccount Flexible Benefit Plan."

(B) This instrument, together with the applicable Benefit Option Summaries, constitutes the Plan Document.

(C) This Plan is intended to qualify as a "cafeteria plan" under Code section 125.

(D) The purpose of this Plan is to permit Eligible Employees to choose to make Payroll Contributions on a pre-tax basis to pay for Qualified Benefits.

1.2. Plan Benefits.

The Qualified Benefits available under this Plan are (only the boxes that are checked apply):

☒ Pre-Tax Premium Benefit. The Pre-Tax Premium component is intended to permit Eligible Employees to pay the Premiums for Company-Sponsored Health Insurance elected by the Eligible Employee on a pre-tax basis. The terms and conditions of the Company-Sponsored Health Insurance Coverage, including eligibility for coverage, the benefits provided, and eligibility for benefits, are as provided in the plans or policies for the Company-Sponsored Health Insurance Coverage and are not governed by this Plan.

☐ Premium Reimbursement Account. The Premium Reimbursement Account component is intended to qualify as "employer-provided coverage under an accident or health plan" under Code section 106. The terms and conditions of the Other Health Insurance Coverage, including eligibility for coverage, the benefits provided, and eligibility for benefits, are as provided in the plans or policies for the Other Health Insurance Coverage and are not governed by this Plan. The Company does not sponsor, administer have any connection to or responsibility for the Other Health Insurance Coverage.

☒ Medical Flexible Spending Account. The Medical FSA component is intended to qualify as a "self-insured medical reimbursement plan" under Code section 105 and the Medical Expenses reimbursed from such Accounts are intended to be excludable from Participants' incomes under Code section 105(b).

☒ Dependent Care Flexible Spending Account. The Dependent Care FSA component is intended to qualify as a "dependent care assistance plan" under Code section 129 and the Dependent Care Expenses reimbursed from such Accounts are intended to be excludable from Participants' incomes under Code section 129.

☐ Health Savings Account. The Health Savings Account ("HSA") component is intended to

qualify as a Health Savings Account under Code section 223.

Only the sections of this Plan Document that relate to the Qualified Benefits selected will be given effect.

ARTICLE II
DEFINITIONS AND INTERPRETATIONS

As used in this instrument, unless the context otherwise indicates, the terms defined in this Plan will have the meaning given them in the applicable Summary, provided that each of the following terms shall have the meaning given below.

2.1. Affiliate or Affiliated Organization.

The Employer and any other corporation, trade or business which is under common control with the Employer under the provisions of section 414 of the Code. Unless specifically provided otherwise, such corporation, trade or business shall be deemed an Affiliate for all purposes, only from the date it came under the common control with the Employer. The term Affiliate shall include for all purposes of this Plan an affiliated service group as defined in section 414(m) of the Code and any other entity required to be aggregated with the Employer pursuant to regulations under section 414(o) of the Code.

2.2. Account.

A bookkeeping account to which Payroll Contributions are credited. A separate bookkeeping account is established for each Option elected by the Participant. A Participant's Account is charged as benefits are used.

2.3. Administrator or Plan Administrator.

The person or entity performing the administrative activities of the Plan. To the extent the Plan Administrator has delegated administrative activities to the Claims Administrator, the term "Administrator" may mean Claims Administrator.

2.4. Annual Contribution Election.

The amount elected by a Participant to be allocated to an Account for an entire Plan Year (or the Participant's Period of Coverage, if less than the Plan Year).

2.5. Carryover Amount.

The amount specified in the Summary (if any).

2.6. Choice Medical FSA.

A Medical FSA that includes a general-purpose FSA that reimburses all Eligible Medical Expenses and an HSA-Compatible Medical FSA.

2.7. Claims Administrator.

The person or entity performing claims administration and other administrative activities on

behalf of the Plan. The Claims Administrator is named in the Summary.

2.8. Claims Submission Period.

The period stated in the Summary within which a claim must be submitted to the Claims Administrator to be eligible for reimbursement.

2.9. COBRA.

Section 4980B of the Code.

2.10. Code or Internal Revenue Code.

The Internal Revenue Code of 1986, as amended. Any reference to a section of the Code refers to that section of the Internal Revenue Code of 1986, or the corresponding section of the Code as amended from time to time.

2.11. Company.

The company identified in the Summary and its successors and assigns.

2.12. Company-Sponsored Health Insurance or Company-Sponsored Health Insurance Coverage.

Coverage an employee has elected under a Company-sponsored health plan, whether insured through an insurance company or self-insured by the Company (benefits paid from general corporate assets), excluding the Medical FSA. The Company-sponsored health plans are listed in the Summary.

2.13. Compensation.

The amount that, if the Participant did not participate in the Plan, would be reportable by the Employer as the Participant's "wages" for such period for federal income tax purposes, excluding non-cash benefits and any items not payable on a regular payroll date basis.

2.14. Debit Card.

A card issued by the Administrator which permits conditional reimbursements for medical expenses to occur at the time the expense is incurred. A Participant is obligated to comply with all terms and conditions imposed on the use of a debit card and the expense must qualify as a Medical Expense under the terms of the Plan.

2.15. Dependent.

(A) Generally, a person who qualifies as a "dependent' of the Participant under the relevant provision of the Code. The requirements that must be met for a person to qualify as the Participant's dependent differ depending on the type of benefit.

(B) For a Pre-Tax Premium, Premium Reimbursement Account, or Medical FSA, "Dependent" includes: (i) your spouse (to whom you are legally married); (ii) a person whom you can claim as a dependent on your federal income tax return; and (iii) a child whom you can claim as your health care tax dependent within the meaning of Code sections 105 or 106. This includes your son, daughter, stepson, stepdaughter or foster child who was under the age of 26 at the beginning of the calendar year.

(C) For a HSA, the term means a "dependent" within the meaning of Code section 223.

(D) For a Dependent Care FSA, the term means a Qualifying Individual. The term "Qualifying Individual" will be defined and construed in accordance with Code sections 129 and 21.

2.16. Dependent Care Expense.

An expense a Participant incurs for dependent care provided to a Qualified Individual that meets all of the requirements necessary to be eligible for reimbursement under this Plan and the Dependent Care Plan.

2.17. Dependent Care FSA.

The Account from which a Participant's Dependent Care Expenses are reimbursed.

2.18. Dependent Care Plan.

The Company's Dependent Care Plan, as set forth in the Dependent Care FSA Summary and this Plan Document.

2.19. Election Change Event.

An event permitting an election change as outlined in the Plan.

2.20. Eligible Employee.

(A) An Employee who meets the eligibility requirements stated in the Summary and the applicable Summary.

(B) No judicial or administrative reclassification or reclassification by the Employer, of a person as a common-law employee or otherwise Eligible Employee will be applied to grant retroactive eligibility to any person under this Plan.

2.21. Eligible Expense.

An expense that meets all of the requirements to be eligible for reimbursement under the Plan and the applicable Option.

2.22. Employee.

An individual who is employed by a Participating Employer, classified by the Employer as a common-law employee under the Employer's employment and payroll practices and employed within the United States or is a United States expatriate.

2.23. Employer or Participating Employer.

The Company or any Affiliated Organizations and their successors and assigns, if any, that have adopted the Plan with the Company's consent. Any of those entities may be considered the "Employer" when that term is used in the Plan. The plural use of the term will include the Company and all those participating employers.

2.24. Excluded Individual.

An individual excluded from participation in the Plan as stated in the Summary. An Excluded Individual cannot be an Eligible Employee.

2.25. FMLA Leave.

A leave of absence taken by a Participant pursuant to the Family and Medical Leave Act of 1993, as amended from time to time.

2.26. High Deductible Health Plan or HDHP.

A health plan described in Code section 223(c)(2).

2.27. HIPAA.

The Health Insurance Portability and Accountability Act of 1996, as amended.

2.28. HSA-Compatible Medical FSA.

A Medical FSA that only permits reimbursement of (A) vision and dental Eligible Medical Expenses; and/or (B) Eligible Medical Expenses once the deductible for the High Deductible Health Plan HSA been satisfied, as indicated in the *Medical FSA Summary Plan Description*.

2.29. HSA or Health Savings Account.

A tax-favored individual account to be used in conjunction with a High Deductible Health Plan to pay Medical Expenses not covered by the High Deductible Health Plan.

2.30. Medical Expense.

An expense incurred by the Participant for medical care within the meaning of Code section 213(d) for the Participant or his or her spouse or Dependent that is eligible for reimbursement from a Medical FSA or HSA pursuant to the applicable Code section and regulations, Option

Summary and Plan Rules.

2.31. Medical FSA.

The flexible spending Account from which a Participant's Medical Expenses are reimbursed.

2.32. Open Enrollment or Open Enrollment Period.

The period preceding each Plan Year, as designated by the Plan Administrator, during which Eligible Employees may make elections for Plan benefits to be effective for such Plan Year.

2.33. Option or Benefit Option.

A Qualified Benefit under this Plan.

2.34. Other Health Insurance or Other Health Insurance Coverage.

Individual or group health plan coverage (whether insured through an insurance company or self-insured) for the employee, his or her spouse, and his or her Dependents, obtained by the employee or his or her spouse.

2.35. Participant.

An Eligible Employee who has satisfied any Service Requirement and enrolled in the Plan in the manner required by the Plan Administrator.

2.36. Payroll Contributions.

Participant contributions for benefits elected under the Plan taken from the Participant's Compensation.

2.37. Payroll Period.

A payroll period of the Employer in which, under the Employer's standard payroll practices, charges for Plan benefits payable by an Eligible Employee are normally deducted from his or her pay.

2.38. Period of Coverage.

The period during a Plan Year in which a Participant is covered under the Plan. When participation ends, the Participant's Period of Coverage will also end unless the Participant continues coverage as provided under the Plan.

2.39. Plan.

The Company's SelectAccount Flexible Benefit Plan, as amended from time to time.

2.40. Plan Rules.

Rules established by the Plan Administrator or Claims Administrator with respect to administration of the Plan. The Plan Administrator or Claims Administrator may implement or change a Plan Rule by a written instrument or by practice without prior notice to any person.

2.41. Plan Year.

The annual period indicated in the Summary.

2.42. Premium.

The amount that, without regard to this Plan, would be required to be paid by a Participant for Company-Sponsored Health Insurance Coverage elected by the Participant or Other Health Insurance Coverage obtained by the Participant. To be covered, Premiums must eligible for payment through the Pre-Tax Premium Benefit or Premium Reimbursement Account pursuant to the applicable Code section and regulations, Option Summary and Plan Rules.

2.43. Premium Reimbursement Account.

The Account from which a Participant's Premiums for Other Health Insurance Coverage are reimbursed.

2.44. Pre-Tax Premium Benefit or Pre-Tax Premium.

The ability for a Participant to pay Premiums for Company-Sponsored Health Insurance on a pre-tax basis through this Plan.

2.45. Qualified Benefits.

The benefits provided under this Plan that are listed in section 1.2.

2.46. Qualifying Election Change.

An election change made due to an Election Change Event that is consistent with the election change as required by the Plan and IRS regulations.

2.47. Qualifying Individual.

In general, a Dependent of a Participant who is under the age of thirteen or a Participant's spouse or Dependent of any age who is physically or mentally incapable of self-care. A detailed definition of this term is provided in the Summary for the Dependent Care FSA. Only expenses incurred for the care of a Qualifying Individual are eligible for reimbursement from the Dependent Care FSA.

2.48. Service Requirement.

The period an Eligible Employee must be employed before he or she is permitted to enroll in and participate in the Plan as stated in the Summary.

2.49. Similar Coverage Option.

Coverage for the same category of benefits for the same individuals. The coverage can be provided under the plan of the Employer or the plan of a Participant's spouse's or Dependent's employer. This term is relevant with respect to change in cost or coverage Election Change Events.

2.50. Summary or Summary Plan Description.

The Summary document for a Benefit Option. The Summary is the Summary Plan Description for that Option.

ARTICLE III
PARTICIPATION

3.1. Eligibility to Participate.

All Eligible Employees who have satisfied the Service Requirements are eligible to participate in the Plan.

3.2. Terms and Conditions of Participation.

The terms and conditions of participation, including commencement, termination, and continuation of participation, for an Option are as provided in the Summary for that Option.

ARTICLE IV
PLAN BENEFITS AND FUNDING

4.1. Plan Benefits.

The Plan provides the Qualified Benefits selected in section 1.2. Additional terms and conditions applicable to each Option are as described in the Summary for the Option.

4.2. Funding of Plan Benefits.

Election amounts will be funded through Participant Payroll Contributions made on a Payroll Period basis on behalf of Eligible Employees. Any remaining Compensation will be paid to the Participant in cash, subject to such other charges as may be imposed on such Compensation. No separate fund or trust is maintained to pay Plan benefits, all of which are paid from the general assets of the Company.

4.3. Employer Contribution.

If an Employer contribution is made, the Employer will contribute an equal amount to each Participant in the same Eligible Employee category who participates the entire Plan Year, provided that contributions made for highly compensated employees, as defined by Code section 414(q), can be lower than non-highly compensated employees in the same Eligible Employee category. If a Participant's Period of Coverage is less than a Plan Year, the amount will be adjusted accordingly. The Employer contribution, if any, is stated in the Summary.

4.4. Participant's Account.

(A) An "Account," with respect to a Participant, is the bookkeeping reserve account or subaccount, as the context may require, used to track allocation and payment of Plan benefits.

(B) The Administrator will establish and maintain an Account in the name of each Participant.

(C) The Administrator will establish and maintain under each Participant's Account a subaccount for each Option elected by the Participant.

(D) Each Participant's Account will be credited and debited in accordance with the remaining provisions of this Article.

4.5. Allocation to Accounts.

Allocations to the Participant's Account will be made proportionately on a Payroll Period basis throughout the Plan Year (or the Participant's Period of Coverage, if less than the Plan Year) except as otherwise deemed appropriate by the Administrator.

4.6. Payments from Accounts.

(A) A Participant's Account will be debited with the amount of each payment of Plan benefits. Payments will be debited as of the date they are made.

(B) Amounts allocated to a Participant's Pre-Tax Premium Benefit Account will be paid to the insurer, on a monthly basis or as otherwise required by the terms of the Company-Sponsored Health Insurance, provided that the Premium payment will not exceed the credit balance of the Participant's Pre-Tax Premium Benefit Account as of the date the Premiums payable from such Account are paid.

(C) Reimbursements to Participants for the cost of Premiums from a Premium Reimbursement Account will be made upon submission of a proper claim for reimbursement pursuant to the procedure described in the Summary. The Administrator may prescribe the minimum reimbursement amount that will be paid and the frequency and timing of reimbursement payments. The amount contributed to a Participant's Premium Reimbursement Account at the time a claim is paid will be available to the Participant for reimbursement.

(D) Reimbursements to Participants for the cost of Eligible Expenses from a Medical FSA or Dependent Care FSA will be made upon submission of a proper claim for reimbursement pursuant to the procedure described in the Summary. The Administrator may prescribe the minimum reimbursement amount that will be paid and the frequency and timing of reimbursement payments.

(E) The full Annual Contribution Election to the Participant's Medical FSA for the Plan Year will be available to the Participant from the first day in the Plan Year on which he or she is a Participant.

(F) The amount contributed to a Participant's Dependent Care FSA at the time a claim is paid, reduced by amounts previously paid from such FSA for the Plan Year, will be available to the Participant for reimbursement.

(G) The amount contributed to a Participant's HSA at the time a claim is paid, reduced by amounts previously paid from such HSA for the Plan Year, will be available to the Participant for reimbursement.

(H) If the Participant's benefit election or the Premium payable for the Participant's Company-Sponsored Health Insurance changes during the Plan Year, subsequent allocations to the Participant's Pre-Tax Premium Benefit Account will be changed accordingly.

(I) Amounts allocated to one Account cannot be used to provide benefits through another Account.

4.7. Cash.

(A) The excess, if any, of (1) the amount of Payroll Contributions allocated to the

Participant's Account on any payroll date over (2) the total allocation to the benefit sub-accounts on such date will be paid to the Participant in cash.

(B) To the extent that an amount paid from the Participant's Dependent Care FSA is includable in the Participant's gross income for federal income tax purposes, because it exceeds the earned income limitation of Code section 129(b), the Participant fails to comply with the reporting requirements of Code section 129(e)(9) or otherwise, such amount will be treated as a cash distribution to the Participant.

(C) To the extent an amount paid from an Account is not permitted by the Code or regulations to be paid on a pre-tax basis, it will be treated as a cash distribution to the Participant.

4.8. Forfeiture of Balance in Accounts (not applicable to HSA).

(A) As of the end of the last day of each Plan Year or, if earlier, on termination of participation, the balance of each Participant's Account and subaccounts to which such period applies will be reduced to zero. This reduction will be made retroactively upon the expiration of the Claims Submission Period.

(B) Forfeited amounts will be used by the Plan Administrator, in its discretion, to pay the cost of benefits under the Plan, for administrative costs of the Plan, or to provide additional benefits to Participants.

4.9. Status of Accounts.

(A) Accruing benefits under this Plan will not vest in a Participant any right, title or interest in or to any assets of the Company.

(B) To the extent that benefits accrued to a Participant's Account are not paid when due, the Participant will become a general unsecured creditor of the Company.

(C) None of the amounts credited to a Participant's Account will be considered to be held in trust or escrow or as any other form of asset segregation for any Participant.

(D) Except for the unsecured contractual right to receive benefits payable under the Plan, no person shall have any right, title or interest in or to the assets of the Employer.

4.10. Distribution of Benefits Upon Termination of Plan or Employer Participation.

If the Company terminates the Plan, or an Employer terminates its participation in the Plan, each affected Participant's Account balance, as of the date of such termination, will continue to be applied in the manner provided in the preceding provisions of this article, but no allocations will be made to the Participant's Accounts following the date of such termination.

ARTICLE V
ELECTIONS

5.1. Benefit Elections.

(A) Each Eligible Employee desiring to participate in the Plan and each Participant will make Plan benefit elections in the manner prescribed by the Administrator.

(B) The Administrator may impose conditions and limitations on the benefit elections, including the minimum and maximum election amounts, subject to any limitations imposed by law.

(C) All Premiums for Company-Sponsored Health Insurance Coverage will be paid pre-tax, except to the extent required to be paid after-tax by the Code or provision of this Plan, unless the Plan Administrator permits Eligible Employees to opt out of participation and the Eligible Employee does so.

(D) No Participant will be eligible to participate in the Pre-Tax Premium Benefit Account or Premium Reimbursement Account prior to the date on which the Participant first becomes covered under the Company-Sponsored Health Insurance or Other Health Insurance, as applicable.

(E) Benefit elections will be made prospectively.

(F) A Participant in the Medical FSA or in the HSA who has Company-Sponsored Health Insurance through Blue Cross Blue Shield of Minnesota may elect to have the Company-Sponsored Health Insurance automatically submit requests for reimbursement of non-covered medical expenses, such as deductible amounts. This “crossover” election will remain in effect until the Participant notifies the Plan Administrator of the revocation of the election.

(G) The Medical FSA for a Plan that offers both Medical FSA and HSA Benefit Options is a Choice Medical FSA. Eligible Employees who elect to participate in both the Plan’s Medical FSA Benefit Option and the HSA Benefit Option for the same Plan Year will be limited to an HSA-Compatible Medical FSA. Eligible Employees who do not elect to participate in an HSA through this Plan may still choose to participate in the HSA-Compatible Medical FSA to maintain their eligibility and/or the eligibility of their spouses to participate in HSAs outside of this Plan.

5.2. Limitations on Maximum Annual Contributions Imposed by Law.

(A) Medical FSA. The Maximum Contribution Election for the Medical FSA is limited to the indexed payroll contribution plan year limit as set by the Affordable Care Act (ACA) effective for plan years effective January 1, 2013.

(B) Dependent Care FSA. The Maximum Contribution Election for the Dependent Care FSA cannot be greater than:

(1) $5,000 per household ($2,500 if the Participant is married but filing a separate federal tax return) or, if less,

(2) the lesser of the Earned Income of the Participant and, if the Participant is married, the Earned Income of the Participant's spouse.

(C) HSA. The maximum contribution election for the Health Savings Account is the product of 1/12th of the annual maximum multiplied by the number of months during the Plan Year on the first day of each of which the Participant is covered under a High Deductible Health Plan and is otherwise eligible to contribute to an HSA. A Participant who is eligible to contribute to an HSA as of December 1 will be allowed to make the entire annual maximum contribution election for that year as long as the High Deductible Health Plan is maintained through December of the following year.

(1) The annual maximum is the amount prescribed in Code section 223(b)(2)(A)(ii) if the Participant has self-only coverage under the High Deductible Health Plan and the amount prescribed in Code section 223(b)(2)(B)(ii) if the Participant has family coverage under the High Deductible Health Plan.

(2) The maximum contribution for a Participant who has attained age 55 before the end of a taxable year is increased by the amount specified in Code section 223(b)(3)(B).

(D) The Plan Administrator can reduce an election that exceeds the Maximum Contribution Election to the Maximum Contribution Election.

5.3. <u>Time of Election.</u>

A Participant's election with respect to a Plan Year will be made during the Open Enrollment Period for such Plan Year and will remain in effect for the entire Plan Year unless a Qualifying Election Change is made.

5.4. <u>Deemed Election.</u>

(A) An Eligible Employee who fails to make an election for the Premium Reimbursement Account, Medical FSA, Dependent Care FSA, or HSA during Open Enrollment or, with respect to a new Employee, during the time period provided in the Summary, will be deemed to have elected no allocation for the Plan Year to such Accounts.

(B) A Participant who experiences an Election Change Event but does not make a new election within the period provided in the Summary will continue the elections he or she had in effect prior to the Election Change Event.

5.5. <u>Restrictions on Election Changes.</u>

(A) HSA elections may be changed at anytime. This section does not apply to HSAs.

(B) An Annual Contribution Election is irrevocable during the Plan Year, except for certain Qualified Election Changes.

(C) A Participant may make a Qualifying Election Change to a Pre-Tax Premium Benefit, Premium Reimbursement Account, Medical FSA or Dependent Care FSA in the manner prescribed by the Plan Administrator and Claims Administrator and in accordance with the following rules.

(1) An election will not be a Qualifying Election Change if the amount elected is less than the amount of reimbursements claimed from such Account for the Plan Year prior to the election.

(2) The adjustment to the Participant's pre-tax contributions will not occur until the first payroll period after the Administrator receives, approves, and processes the Qualifying Election Change.

(3) An election must be for prospective coverage only, except that in the case of an election change made to Company-Sponsored Health Insurance Coverage or Other Health Insurance Coverage as a result of a HIPAA special enrollment as a result of the birth, adoption, or placement for adoption of a child, the period of retroactive Company-Sponsored Health Insurance Coverage or Other Health Insurance Coverage required by HIPAA can be paid on a pre-tax basis.

(D) Qualifying Election Change Events include change in status events, changes in cost or coverage events, and additional election change events.

(1) A "change in status" event is:

(a) a change in the Eligible Employee's marital status, including marriage, divorce, or death of a spouse,

(b) a change in the number of the Eligible Employee's Dependents, including birth, adoption, placement for adoption or death of a Dependent;

(c) an Eligible Employee's Dependent satisfies or fails to satisfy the Dependent eligibility requirements under a component plan;

(d) a change in the employment status of the Eligible Employee or his or her spouse or Dependent, including termination or commencement of employment, strike or lockout, commencement of or return from an unpaid leave of absence, reduction or increase in hours, change in job location, or any other change in employment status that affects eligibility

under an employer plan; or

(e) a change in residence for the Eligible Employee or his or her spouse or Dependents.

(2) The change in status event must affect eligibility for coverage under an employer plan and the election change under the employer plan must be on account of, and correspond with, the change in status event. A change in status event "affects eligibility for coverage" if it results in a gain or loss of eligibility for coverage, a change in the number of an Employee's family members who may benefit from the coverage, or for the Dependent Care FSA, a gain or loss of eligibility for reimbursement of Dependent Care Expenses.

(3) Changes in cost or coverage events do not apply to the Medical FSA and a Dependent Care FSA election cannot be changed due to a change in cost imposed by a provider who is related to the Participant. The changes in cost and coverage events and the election changes that are permitted as a result of such events are as follows:

(a) An insignificant cost change will result in an automatic adjustment to the Participant's Pre-Tax Premium.

(b) A significant increase in the cost of a coverage option will permit a Participant to change to a Similar Coverage Option, and if one is not available, to cancel coverage.

(c) A significant decrease in the cost of a coverage option will permit a Participant or a Eligible Employee to elect that coverage option.

(d) The loss of a coverage option will permit a Participant to change to a Similar Coverage Option or, if one is not available, to cancel coverage;

(e) The reduction of coverage within a coverage option will permit a Participant who has that coverage option to change to a Similar Coverage Option;

(f) The addition or significant improvement of a coverage option will permit a Eligible Employee or a Participant to elect the new or improved coverage option.

(g) An election change made under a plan of another employer, such as the plan of the employer of the Participant's spouse or Dependent, if either such other plan permits its participants to make an election change in accordance with the regulations under Code section 125 or the Plan Year under this Plan and the plan year under such other plan are

different will permit a corresponding election change under this Plan.

(4) The following are additional election change events and the election changes permitted as a result of such events.

(a) The Participant may change his or her election for the Pre-Tax Premium Benefit, the Premium Reimbursement Account and the Medical FSA in a manner that is consistent with a judgment, decree or order (including a qualified medical child support order) resulting from a divorce, legal separation, annulment or change in legal custody ("Order") that requires either that coverage be provided for the Participant's child under the Employer's health plan or that another individual provide health coverage for the child. The Participant can only elect to add coverage for the child under the Employer's health plan if the child is a Dependent. The Participant can only elect to cancel coverage for the child under the Employer's health plan if the Order requires another individual to provide health coverage for the child and that coverage is actually provided.

(b) The Participant may change his or her election for the Pre-Tax Premium Benefit, Premium Reimbursement Account and Medical FSA in a manner that is consistent with the Participant's, the Participant's spouse's, or the Participant's Dependent's gain or loss of entitlement to Medicare (Part A or Part B) or Medicaid, other than coverage under the program for distribution of pediatric vaccines.

(c) If a Participant exercises special enrollment rights under Code section 9801 for Company-Sponsored Health Insurance Coverage, the Participant's Pre-Tax Premium contributions under this Plan will be changed automatically.

(d) If group health plan coverage is lost under a state children's health insurance program under Title XXI of the Social Security Act ("SCHIPS"), a tribal plan, a state health benefits risk pool, or a foreign governmental plan, and the Participant or Eligible Employee enrolls individual(s) losing the coverage in Company-Sponsored Health Insurance Coverage or Other Health Insurance Coverage, the Pre-Tax Premium or Premium Reimbursement Account, as applicable, may be adjusted accordingly.

(e) A Participant may change his or her election for the Pre-Tax Premium Benefit, Premium Reimbursement Account, Medical FSA, or Dependent Care FSA election when going on or returning from FMLA leave in a manner that is consistent with FMLA requirements and Plan Rules.

(f) You may revoke your Pre-Tax Premium election for your employer-sponsored health coverage under the cafeteria plan if you purchased a Qualified Health Plan through a competitive marketplace established under §1311 of the Patient Protection and Affordable Care Act, commonly referred to as an Exchange or a Health Insurance Marketplace (Marketplace).

(g) You may revoke your Pre-Tax Premium election for your employer-sponsored health coverage under the cafeteria plan if your hours of service are reduced so that you are expected to average less than 30 hours of service per week but for whom the reduction does not affect the eligibility for coverage under your employer's group health plan.

ARTICLE VI
ADMINISTRATION OF PLAN

6.1. Administrator, Named Fiduciary.

The general administration of the Plan and the duty to carry out its provisions will be vested in the Company, which will be the "named fiduciary" of the Plan. The Company's Corporate Benefits Department will perform such administrative duties on behalf of the Company and may delegate all or any portion of such administrative duties to a named person and may from time to time revoke such authority and delegate it to another person. Each such delegation to a person who is not an employee of the Company will be in writing, and a copy will be furnished to the person to whom the duty is delegated. Such person will file a written acceptance with the Company's Corporate Benefits Department. Such person's duty will terminate upon withdrawal of such authority by the Company's Corporate Benefits Department or upon withdrawal of such acceptance by the person to whom the duty was delegated. Any such withdrawal will be in writing, and will be effective upon delivery of a copy to the person to whom the duty was delegated or to the Company's Corporate Benefits Department, as the case may be. Any delegation to an employee of the Company will terminate when such individual ceases to be an employee or upon its earlier revocation by the Company's Corporate Benefits Department.

6.2. Administrator's Compensation.

The Administrator, if an employee of the Company, will receive no compensation for services as Administrator but will be entitled to reimbursement by the Company for any amounts reasonably and necessarily expended in the performance of the Administrator's duties.

6.3. Administrator's Discretion.

(A) The Administrator has the sole, exclusive, absolute and complete discretionary power and authority with respect to administration of the Plan including, but not limited to, the discretionary power and authority to:

(1) make all determinations (except those determinations which the Plan requires others to make) and to take all actions that the Administrator deems advisable for administration of the Plan, including entering into any contracts and administrative agreements;

(2) construe, interpret, apply and enforce all Plan documents and to take or direct any course of action that the Administrator deems advisable to carry out the Plan's intent and purpose as determined by the Administrator;

(3) decide all questions that arise that relate to the Plan and to make all factual determinations;

(4) determine eligibility and coverage for participation and benefits;

(5) establish and change the contributions required to be made for coverage under the Plan;

(6) determine whether an individual is entitled to benefits and to decide the type, amount, manner of allocation and distribution of all benefits determined by the Administrator to be due and payable under the Plan;

(7) remedy all defects, ambiguities, inconsistencies, omissions, and mathematical or arithmetical errors, including erroneous account balances; and

(8) make or require rules, regulations, policies, and procedures that the Administrator deems advisable for the administration of the Plan and to change or modify any such rules, regulations, policies or procedures at any time.

(B) Benefits under the Plan will only be paid if the Administrator decides in its discretion that an applicant is entitled to them.

6.4. Professional Assistance.

The Administrator may retain such accounting, legal, clerical and other services as may reasonably be required in the administration of the Plan, and may pay reasonable compensation for such services.

6.5. Reliance on Others.

(A) To the extent permitted by applicable law, the Administrator, the Company, the Employers, the board of directors and the officers of the Company or any other Employer may rely upon all certificates and reports made by an officer of the Company, and upon all reports and opinions within the area of expertise of, and given by, accountants, legal counsel and other professionals retained by them; and, to such extent, such persons will be fully protected with respect to any action taken or suffered by them in good faith in reliance upon any such certificates, reports and opinions and all actions so taken or suffered will be conclusive upon each of them and upon all Participants.

(B) The Administrator will be entitled to rely upon any data or information furnished by the Company, any other Employer, or by a Participant as to age, service and compensation of any person, and as to any other information pertinent to any calculation or determination to be made under the provisions of the Plan and, as a condition to payment of any benefit under the Plan, may request any Participant to furnish such information as the Administrator deems necessary or desirable in administering the Plan.

6.6. Indemnification.

The Participating Employers jointly and severally agree to indemnify and hold harmless, to the extent permitted by law, each director, officer, and employee of the Company and any Affiliated Organization against any and all liabilities, losses, costs and expenses (including legal

fees) of every kind and nature that may be imposed on, incurred by, or asserted against such person at any time by reason of such person's services in connection with the Plan, but only if such person did not act with gross negligence, intentional misconduct, in bad faith or in willful violation of the law or regulations under which such liability, loss, cost or expense arises. The Participating Employers will have the right, but not the obligation, to select counsel and control the defense and settlement of any action for which a person may be entitled to indemnification under this provision.

6.7. Reports to Participants.

Within a reasonable time after the end of each Plan Year and at such other times as the Administrator deems necessary or desirable, the Administrator will provide a report to each Participant of the status of his or her Account.

6.8. Claim Procedure.

The Claims and Appeal procedure is described in the Summary for each Option.

6.9. Fiscal Records.

The fiscal records of the Plan are maintained on a Plan Year basis.

ARTICLE VII
MISCELLANEOUS

7.1. HIPAA Privacy and Security.

The HIPAA privacy and security rules are stated in Appendix A and only apply to the Premium Reimbursement Account and Medical FSA Benefit Options.

7.2. Governing Law.

Except to the extent that state law has been preempted by provisions the Code or any other laws of the United States, as amended from time to time, this Plan will be administered, construed and enforced according to the laws of the State of Minnesota.

7.3. Limitations on Actions.

Notwithstanding any statutory limitations period or conflict of law provision, no action with respect to any Benefit under this Plan may be brought more than six months following the final decision in any appeal brought pursuant to the claim and appeal procedures set forth in this Plan.

7.4. Number and Gender.

Wherever appropriate, the singular number may be read as the plural and the plural may be read as the singular and the feminine gender may be read as the masculine gender and the masculine gender may be read as the feminine gender.

7.5. Reference to an Officer of the Company.

Any reference to a specific officer of the Company means the person who, from time to time, holds such office or, in the event that the name or function of such office is changed, such officer of the Company who succeeds to the functions of such office.

7.6. No Employment Rights.

Nothing contained in this Plan shall be construed as a contract of initial or continued employment between any Employee and the Employer, as a limitation of the right of the Employer to discharge any Employee with or without cause, or as an assurance of any benefit not expressly set forth in this Plan.

7.7. Severability.

If any provision of this Plan is held to be illegal or invalid for any reason, that illegality or invalidity will not affect the remaining parts of this Plan. In such case, this Plan will be construed and enforced as if the illegal or invalid provision were not included in the Plan.

7.8. Withholding.

Notwithstanding any contrary provision of this Plan, the Company or any other Employer may withhold from any payment charged against a Participant's Account such amounts as may be required under sections 3102 and 3402 of the Code or under a similar law of any state, but will not be liable for any loss or damage incurred by a Participant on account of the Company's or other Employer's failure to do so.

7.9. Non-Assignability of Benefits.

No benefit under the Plan will be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same will be void, and no such benefit will in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit.

7.10. Disabled Participants.

If the Administrator determines that any person entitled to receive any payment under this Plan is physically, mentally or legally incapable of receiving or acknowledging receipt of such payment, and no legal representative has been appointed for such person, the Administrator, in its discretion, may (but will not be required to) cause any sum otherwise payable to such person to be paid to such one or more as may be chosen by the Administrator from the following: the institution maintaining the person or the person's spouse, children, parents or other relatives by blood or marriage. Any payment so made will be a complete discharge of all liability under the Plan with respect to such payment.

7.11. Death of Participant.

After the death of a Participant, benefits that would have been payable from the Participant's Account had the Participant survived will be paid to the Participant's spouse or dependents. If the Participant's spouse or dependents are eligible for and elect continuing coverage for Company-Sponsored Health Insurance, any amounts credited to the Pre-Tax Premium Account will be applied to reduce the cost of such continuing coverage. If no spouse or dependent is eligible to receive such payment, such payment will be made to the personal representative of the Participant's estate or to such other person whom the Administrator, in its sole discretion, determines to be legally entitled to such payment. Any payment so made will be a complete discharge of all liability under the Plan with respect to any such payment.

7.12. Satisfaction of Claims.

Any payment to or for the benefit of any Participant, legal representative or person chosen by the Administrator in accordance with the provisions of the Plan will, to the extent of such payment, be in full satisfaction of all claims against the Administrator and the Company, either of which may require the payee to execute a receipted release as a condition precedent to such

payment.

7.13. Participant Tax Consequences.

(A) None of the Company, Plan Administrator, Claims Administrator and Employer makes any commitment, guarantee, warranty or other representation regarding a Participant's ability to exclude the benefits paid under this Plan from his or her gross income for federal, state or local income tax purposes.

(B) If any benefits paid under this Plan are determined to be includable in income, the Participant has no recourse against the Company or Administrator and the Company and the Administrator accept no liability for any damages or losses, including penalties, suffered by the Participant.

(C) It shall be the obligation of each Participant to determine whether each payment or other benefit under the Plan is excludable from the Participant's gross income for federal, state and local income tax purposes. Any Participant, by accepting the benefit under this Plan, agrees to be liable for any tax that may be imposed with respect to those benefits, plus interest and penalties.

7.14. Non-Discrimination

Federal tax laws impose a variety of "nondiscrimination requirements" that must be satisfied before benefits provided under the Plan can be provided to employees on a tax-free basis. The non-discrimination requirements are generally intended to restrict the amount of nontaxable benefits available to certain employees of the Company who are officers, directors, "key employees" or "highly compensated." If the Company believes that the Plan may violate Code requirements prohibiting discrimination in favor of such employees with respect to eligibility, availability of benefits or utilization of benefits, it may limit the amount of pre-tax contributions that certain Participants can make, reduce benefits payable to certain Participants or take such other action as it deems advisable to avoid or eliminate such violation.

ARTICLE VIII
ADOPTION, AMENDMENT AND TERMINATION

8.1. Adoption and Termination by Affiliated Organization.

(A) An Affiliated Organization may adopt this Plan and become an Employer in the manner prescribed by the Administrator.

(B) An Affiliated Organization may terminate its participation in the Plan by providing written notice to the Administrator.

8.2. Amendment Procedure.

The Company reserves the right to amend the Plan at any time, to any extent that it may deem advisable, and without prior notice. Each amendment will be stated in a written instrument. The Plan will be deemed to have been amended as set forth in the instrument and all Participants and Employers will be bound by the amendment; provided, however, that no amendment will have any retroactive effect so as to deprive any Participant of any benefit already accrued by means of the occurrence of an event entitling the Participant to a payment under the Plan.

8.3. Termination Procedure.

The Company reserves the right to terminate the Plan at any time and without prior notice. Termination will occur by written instrument.

Appendix A:
HIPAA Privacy and Security

(1) HIPAA Privacy.

(a) Purpose.

This section is intended to comply with the Standards for Privacy of Individually Identifiable Health Information, Title 45, Parts 160 and 164, Subparts A and E, of the Code of Federal Regulations, promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91 ("Privacy Rule").

(b) Definitions.

The following definitions will apply to the provisions in this Article:

(a) "Health Information" is any information that:

(i) is created or received by a health care provider, health plan, public health authority, employer, life insurer, school or university, or health care clearinghouse; and

(ii) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual.

(b) "Health Care Operations" means the administration and operation of the Plan, including:

(i) conducting quality assessment and improvement;

(ii) accreditation, certification, licensing, or credentialing;

(iii) underwriting, premium rating, and the placement of stop loss coverage;

(iv) conducting or arranging for medical review, legal services, and auditing;

(v) cost-management and planning related to operation and management of the Plan;

(vi) management activities related to Privacy Rule compliance;

(vii) resolution of grievances; and

(viii) Plan activities resulting from sale, transfer, merger, or consolidation.

(c) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91.

(d) "Individually Identifiable Health Information" is Health Information created or received by the Plan or the Employer that:

(i) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and

(ii) identifies the individual directly or reasonably could be used to identify the individual.

(e) "Payment" includes activities undertaken to obtain contributions, determine or fulfill responsibility for coverage and benefits, or obtain or provide reimbursement for health care expenses; including, but not limited to:

(i) determinations of eligibility for coverage;

(ii) coordination of benefits;

(iii) claims adjudication;

(iv) subrogation;

(v) claims management;

(vi) collection activities;

(vii) obtaining payment under a stop loss contract;

(viii) medical necessity reviews;

(ix) utilization review activities, including pre-authorization, pre-certification, concurrent and retrospective reviews;

(x) disclosure of certain information to consumer reporting agencies to collect premiums or reimbursement.

(f) "Plan Administration Functions" are administration functions performed by the Administrator on behalf of the Plan, including Payment and Health Care Operations activities.

(g) "Plan Sponsor" refers to the Company acting as Plan Sponsor as defined in at section 3(16)(B) of ERISA, codified as 29 U.S.C. 1002(16)(B).

(h) "Privacy Rule" refers to the privacy regulations promulgated by the Department of Health and Human Services pursuant to HIPAA. The regulations are codified at 45 C.F.R. Part 164.

(i) "Protected Health Information" or "PHI" is Individually Identifiable Health Information that is transmitted or maintained in any form or medium by the Plan.

(c) Uses and Disclosures of Protected Health Information. Unless the subject individual authorizes a use or disclosure of PHI, the following restrictions will apply.

(a) The Company may use PHI for Plan Administration Functions. The Company is currently involved with the following Plan administration activities: eligibility/enrollment, premium payment, Plan interpretation, receipt of Plan service provider reports, responding to Employee complaints and handling COBRA and Health Care Reimbursement Account administration in house. The Company may disclose PHI as permitted or required by the Privacy Rule or the privacy policies and procedures of the Plan.

(b) The Company will not use or further disclose PHI other than as permitted or required by the Plan Documents or as required by law.

(c) The Company will ensure that any agents, including a subcontractor, to whom it provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Plan Sponsor with respect to such information.

(d) The Company will not use or disclose PHI for employment-related actions and decisions or in connection with any other Company benefit or employee benefit plan.

(e) The Company will report to the Plan any use or disclosure of PHI that is inconsistent with the uses or disclosures provided for of which it becomes aware.

(d) Certification Required to Disclose Protected Health Information to Company. The Plan will disclose PHI to the Company only upon receipt of a certification by

the Plan Sponsor that the Plan Documents have been amended as required by the Privacy Rule.

(e) Subject Individual Rights With Respect to PHI.

(a) The Company will make PHI available for access in accordance with the Privacy Rule section 164.524;

(b) The Company will make PHI available for amendment and incorporate any amendments to PHI in accordance with Privacy Rule section 164.526; and

(c) The Company will make PHI available required to make an accounting of disclosures required by Privacy Rule section 164.528.

(f) Provide Information to the Department of Health and Human Services. The Company will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Secretary of the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Rule.

(g) No Longer Needed PHI. When any PHI received from the Plan ceases to be needed for the purpose for which it was disclosed, the Company will return or destroy such information maintained in any form and retain no copies of such information, except that, if return or destruction is not feasible, the Company will limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

(h) Adequate Separation Between Plan and Company.

(a) The Company will provide adequate separation between the Plan and the Company in its capacity as other than the Administrator.

(b) The Company designates the following employees, classes of employees, or persons to use and disclose PHI on behalf of the Plan for purposes of Plan Administration Functions: Human Resources.

(c) Access to and use of PHI by the employees and other persons described in subsection (2) will be limited to the Plan Administration Functions that the Company performs for the Plan.

(d) Those persons described in subsection (2) who fails to comply with the Privacy Rule or the Privacy Policies and Procedures of the Plan may be subject to disciplinary action up to and including termination.

(2) HIPAA Security.

(a) Purpose. This article is intended to comply with the Standards for Security Standards for the Protection of Electronic Protected Health Information, Title 45, Parts 160 and 164, Subpart C, of the Code of Federal Regulations, promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91.

(b) Definitions. The following definitions will apply to the provisions in this Article:

(a) "Availability" means the property that data or information is accessible and useable upon demand by an authorized person.

(b) "Confidentiality" means the property that data or information is not made available or disclosed to unauthorized persons or processes.

(c) "Electronic Media" means (1) storage in memory devices in computers or any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk or digital memory card; and (2) transmission media used to exchange information already in electronic storage media, including, for example, the internet, extranet, leased lines, dial-up lines, private networks and physical movement of removable/transportable electronic storage media.

(d) "Electronic Protected Health Information" or "e-PHI" means Protected Health Information that is transmitted by, or maintained in, Electronic Media.

(e) "Integrity" means the property that data or information have not been altered or destroyed in an unauthorized manner.

(f) "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification or destruction of e-PHI or interference with system operations in an information system containing e-PHI.

(c) Administrative, Physical and Technical Safeguards. The Company will implement adequate administrative, physical and technical safeguards that will reasonably and appropriately protect the Confidentiality, Integrity and Availability of e-PHI that it creates, receives, maintains or transmits on behalf of the Plan.

(d) Separation Between Plan and Company. The Company will ensure that the adequate separation between the Plan and the Company in its capacity as other than the Administrator, as required by the "Adequate Separation of the Plan and Company" provision in the HIPAA Privacy Rule amendment to the Plan, is supported by reasonable and appropriate security measures.

(e) Agents and Subcontractors. The Company will ensure that any agent, including a subcontractor, to whom it provides e-PHI received from the Plan agrees to implement reasonable and appropriate security measures to protect the e-PHI.

(f) Security Incident Reports. The Company will report to the Plan any Security Incident of which it becomes aware that are not already know

City of Phillipsburg

Flexible Spending Plan

Medical FSA, Dependent Care FSA, and Pre-Tax Premium Summary

Administered by SelectAccount™

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INTRODUCTION

City of Phillipsburg's SelectAccount Flexible Benefit Plan (the "Plan") permits Eligible Employees to choose to pay for certain benefits on a pre-tax basis.

This *Summary* describes the Medical Flexible Spending Account ("Medical FSA"), Dependent Care Flexible Spending Account ("Dependent Care FSA"), and Pre-Tax Premium Benefit Option under the Plan. Terms may be defined in this *Summary* or in the *Plan Document*.

Through the FSA, you can pay medical expenses, dependent care expenses, and health insurance premiums on a pre-tax basis. You can also pay medical expenses not covered by insurance for yourself and eligible family members. This will generally result in a tax savings and increase your spendable income.

Refer to our *SelectAccount Flexible Spending Accounts Quick Start Guide* for a tax savings example. You may also want to use the *Tax Savings Calculator* link available at www.SelectAccount.com to estimate your tax savings.

The tax benefit you experience will depend on the benefits you elect, as well as other factors that affect the amount of taxes you pay. Although participating in the Plan can provide significant tax advantages, there may be tax disadvantages to participating in the Plan based on your particular situation. You may wish to consult with your tax advisor.

DETAILS REGARDING THE MEDICAL FSA BENEFIT

(a) **Medical Expenses Eligible for reimbursement:** To be eligible for reimbursement, an expense must be for medical care provided to diagnose, treat, or prevent disease or for sickness or injury and must be included on the list of eligible medical expenses for this benefit option. **Your minimum annual contribution is $0.00 per plan year and the maximum annual contribution is $2002.00 per plan year. The maximum annual contribution for this benefit is determined by law.**

(b) **Your options for Medical FSA reimbursements:**

- **Debit Card:** When you open a medical FSA with SelectAccount, you will be automatically enrolled with a SelectAccount debit card. Once activated, your medical FSA debit card can be used for eligible medical expenses up to your available medical FSA balance.

  It's important to note if you are using your medical FSA debit card and later elect to use the "Crossover" feature (see below), your debit card will be cancelled as both the debit card and Crossover cannot be active at the same time. If you later decide to switch back and request a debit card, your Crossover will be discontinued and you will receive a new card. If you find that you prefer Crossover, you can discard the debit card and enroll in Crossover at www.selectaccount.com.

- **Crossover:** If you participate in a Blue Cross Blue Shield of Kansas group medical

plan, you can elect to have the group plan automatically submit requests for reimbursement of patient responsibility eligible expenses (e.g., deductible amounts) to your FSA, using "Crossover". If you are covered under more than one major medical plan, you should not participate in the Crossover Program to ensure claims are adjudicated correctly. Please note that Crossover and debit cards will not work at the same time.

- **Online:** To receive reimbursement for FSA expenses, you may submit your form by signing into the Member Online Service Center via www.selectaccount.com and submitting your claim online.

- **Manual Claim:** To receive reimbursement for medical expenses, you must submit a completed claim form and independent third-party documentation of the expense (see "Obtaining Reimbursements" section).

(c) **Expenses cannot be reimbursed from any other source, including tax credits or tax deductions:** Duplications of reimbursement or attempts to take tax credits or deductions for reimbursed expenses may constitute tax fraud and you personally will be responsible for any penalties. It is not the responsibility of your Employer, the Plan Administrator or the Claims Administrator to monitor your personal income tax or other financial affairs.

(d) **Limitations for HSA and Medical FSA Combination:** If you elect to participate in both the HSA and the Medical FSA benefits under this Plan, your Medical FSA is automatically limited to reimbursement of the following HSA-compatible expenses: Vision and Dental; Post Deductible Medical. You may also choose to participate in an HSA-compatible Medical FSA to maintain your eligibility and/or the eligibility of your spouse to participate in an HSA outside of this Plan. If you have not elected HSA coverage under this Plan, however, you must notify SelectAccount that you wish to participate in an HSA-compatible Medical FSA.

DETAILS REGARDING THE DEPENDENT CARE FSA BENEFIT

(a) **Dependent Care Expenses Eligible for reimbursement:** You can use your Dependent Care FSA to pay for Dependent Care Expenses. Dependent Care Expenses must be work-related to be eligible for reimbursement. Details are provided below. Examples of eligible Dependent Care Expenses are at www.selectaccount.com. **Your minimum annual contribution is $0.00 per plan year and the maximum annual contribution is $5,000.00 per plan year. The maximum annual contribution for this benefit is determined by law.**

1. "Dependent Care Expense" means:

i. an amount that you incur for the Care of a Qualifying Individual and Household Services incidental to that care

ii. to enable you, and if you are married, your spouse to be "gainfully employed" or to actively search for "gainful employment" (*i.e.*, the dependent care must be necessary for you to work or to find work)

2. A Dependent Care Expense is "incurred" on the date on which the services are provided, regardless of the date on which payment for such services is due or made.

3. "Qualifying Individual" is defined below.

4. "Care of a Qualifying Individual" means services, the primary purpose of which is to provide for the Qualifying Individual's well-being and protection. It does not include the provision of food, clothing or education unless such benefits are incidental to such primary purpose and does not include the provision of education to an individual in kindergarten or any higher grade.

5. "Household Services" are services performed in and around your home that are ordinary and usual services necessary to maintain your household and are attributable, at least in part, to the Care of the Qualifying Individual.

6. "Gainfully employed" or "gainful employment" means a job. Your spouse will be deemed to be gainfully employed during any month in which he or she is either a full-time student at an educational institution or is a Qualifying Individual (*i.e.*, physically or mentally incapable of caring for himself or herself).

(b) **You must request reimbursement:** To receive reimbursement for Dependent Care Expenses, you must submit a completed claim form (which includes your promise that the expenses have not been reimbursed from any other source and that you will not seek reimbursement for the expenses from any other source) and independent third-party documentation of the expense.

(c) **Maximum Benefits:** Federal law limits the amount that can be reimbursed from your Dependent Care FSA to $2,500 per calendar year if you are married but file a separate federal income tax return and $5,000 per calendar year if you are single or married filing a joint federal income tax return. Moreover, benefits can never be more than your "earned income" for the year. Your earned income is your adjusted gross income, or, if less, the adjusted gross income of your spouse if you are married. If your spouse is unemployed because he or she is incapable of self-care or is a full-time student, your spouse will be deemed to have an earned income of a certain amount per month depending upon whether there is one Qualifying Individual or two or more Qualifying Individuals. IRS Publication 503, which you may obtain from the IRS's web site at http://www.irs.gov, describes the deemed earned income limitation.

Note: If the Plan provides a grace period, carry over amounts used to pay eligible

expenses incurred during the Grace Period will count toward the $5,000 maximum for the calendar year in which such expenses are paid.

(d) **Dependent Care Tax Credit**: The federal tax law allows you to take a tax credit on your federal income tax return for qualified dependent care expenses in an amount up to $3,000 for one dependent and up to $6,000 for two or more dependents. (Your potential tax credit is a percentage of these amounts that depends on your adjusted gross income). The difference between the Dependent Care FSA and the tax credit is that the Dependent Care FSA provides a reduction in your taxable income, while the tax credit offers a direct reduction on the amount of tax you pay. You cannot use the Dependent Care FSA and the tax credit for the same expenses. In addition, use of the Dependent Care FSA will reduce dollar for dollar or eliminate your tax credit. You will need to determine which of these methods is best for you, because each person's tax situation is unique, your own tax advisor should be consulted to help you determine which approach is best for you. The Dependent Care Tax Savings Worksheet in our *SelectAccount Flexible Spending Accounts Quick Start Guide* may be helpful in determining whether the tax credit is more advantageous for you.

(e) **Reimbursements are reported on Form W-2:** The reimbursements you receive for Dependent Care Expenses will be reported to the IRS on your W-2 Form for the year. These amounts should not generally be taxable unless: (i) your reimbursements exceed your earnings for the year or, if you are married on the last day of the year, your spouse's earnings for the year; or (ii) you do not report the taxpayer identification number of your dependent care service provider when you file your federal income tax return.

(f) **Dependent Care Provider information on Tax Return:** You will be required to list on your annual tax return the names and taxpayer identification numbers of any persons who provided you with dependent/day care services during the calendar year for which you have claimed a tax-free reimbursement.

(g) **Expenses cannot be reimbursed from any other source, including Tax Credits or Tax Deductions:** Duplications of reimbursement or attempts to take tax credits or deductions for reimbursed expenses may constitute tax fraud and you personally will be responsible for any penalties. It is not the responsibility of your Employer, the Plan Administrator or the Claims Administrator to monitor your personal income tax or other financial affairs.

DETAILS REGARDING THE PRE-TAX PREMIUM BENEFIT

(a) **Pre-Tax Premium Benefit for Health Insurance:** The Plan permits the Health, Dental, and Vision (if applicable) Insurance premiums to be paid on a pre-tax basis.

(b) **Automatic Enrollment in Pre-Tax Premium Benefit:** If you elect Health Insurance Coverage, you will automatically be enrolled in the Pre-tax Premium Benefit (unless you opt out of pre-tax premium payment for the coverage).

(c) **You are not required to request reimbursement:** Pre-tax Premium Benefits will automatically be deducted from your paycheck before taxes are withheld and will be paid directly to the appropriate insurance company. You do not need to submit a claim for these expenses.

(d) **Changes to your Pre-Tax Premium may not correspond with changes to your Health Insurance:** If there is an insignificant change in your Premium for Health Insurance during the Plan Year, the Plan will automatically change the Premium contributions. For all other changes that you make to your Health Insurance, you will need to request that a corresponding election change be made to your Pre-Tax Premium. Only Qualifying Election Changes (see below) will be permitted. An election change permitted under the Health Insurance Coverage may not be permitted under this *Summary* or vice versa. While unlikely, it is possible for your Pre-Tax Premium Benefit to be less or more than your actual Premium payment amount due to an election change. If the Premium is more than the Pre-Tax Premium Benefit, you must pay the difference after-tax. If the Premium is less than the Pre-Tax Premium Benefit, you will forfeit the additional pre-tax payments made to your Account.

(e) **Health Insurance is separate from this Plan:** The terms and conditions of the Health Insurance, including eligibility for coverage, the benefits provided and eligibility for benefits, are as stated in the plans or insurance policies for the Health Insurance and are not governed by this Plan.

(f) **Company-Sponsored Health Insurance for Non-Tax Dependents:** Company-Sponsored Health Insurance provided to you and your eligible family members is generally not subject to federal wage and income tax. Coverage provided for your family member who does not satisfy the IRS requirements to be considered your "health care tax dependent," however, is a taxable benefit. Your Employer is required to report to the IRS the fair market value of the coverage paid for by the Employer (or by you on a pre-tax basis) as taxable compensation on your W-2. When you enroll your family member in coverage and each time that you present your health plan card for services for the family member, you are certifying that your family member is your tax dependent for health care purposes. If your eligible family member is not your tax dependent, you must notify the Company's Human Resources Department. If you do not know whether your family member qualifies as your tax dependent, you should consult a tax advisor (such as an accountant).

ELIGIBLE EMPLOYEES

Only eligible employees may participate. You are eligible if you are

- Employed by the company or a participating employer
- Regularly scheduled to work 30 or more hours per week
- Are not an excluded individual

- Satisfy any other eligibility requirements

You are a participant if you are an eligible employee, have enrolled in the Pre-Tax Premium Plan, and have not terminated participation.

Eligible employees do not include:

- Leased employees
- Independent contractors
- Employees subject to a collective bargaining agreement (except as specifically provided in the collective bargaining agreement)
- Interns
- Employees classified as temporary
- Employees covered by written agreements stating they are not eligible to participate in this Plan.

DEPENDENTS

(a) To use the FSA for reimbursement of dependent care expenses or of medical expenses incurred by a family member, he or she must qualify as your Dependent.

(b) For the Medical FSA, "Dependent" includes: (i) your spouse (to whom you are legally married); (ii) a person whom you can claim as a dependent on your federal income tax return; and (iii) a child whom you can claim as your health care tax dependent within the meaning of Code sections 105 or 106. This includes your son, daughter, stepson, stepdaughter or foster child who was under the age of 26 at the beginning of the calendar year.

(c) For the Dependent Care FSA, "Dependent" means someone who meets the requirements of a "Qualifying Individual." If a Dependent ceases to meet these requirements during a Plan Year (e.g., a dependent child turns 13), Eligible Dependent Care Expenses incurred before the Dependent ceased to meet the requirements may still be reimbursed.

(d) A Qualifying Individual means an individual who is your Qualifying Child, Qualifying Spouse or Qualifying Relative, as defined below:

(e) If you and your child's other parent do not live together, only the parent with primary physical custody (parent with whom the child resides for more than six months out of the year) can be reimbursed for Dependent Care Expenses for the child and then only for the days in which the child resides with him or her. The other parent cannot seek reimbursement of Dependent Care Expenses even for the days during which the child

resides with him or her.

1. *A Qualifying Child*. This means an individual who:

   i. has one of the following relationships to you: son, daughter, stepdaughter, stepson, brother, sister, stepbrother, stepsister, foster child, or child for whom the you have legal guardianship (or a descendent of any of these individuals);

   ii. is under the age of 13;

   iii. lives with you for more than one half the year; and

   iv. does not provide more than one half of his or her own support.

2. *A Qualifying Spouse*. This means your spouse who:

   i. lives with you for more than half of the year; and

   ii. is physically or mentally incapable of self-care.

3. *A Qualifying Relative*. This means an individual:

   i. who has a "Qualifying Child" relationship to you (as specified in subsection (c)(1)(i) above) or who is your father, mother, stepfather, stepmother, niece, nephew, aunt uncle, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law, or who lives with you and is a member of your household;

   ii. who is not your Qualifying Child or the Qualifying Child of any other person;

   iii. for whom over one half of whose support for the year is provided by you;

   iv. who lives with you more than half of the year; and

   v. who is physically or mentally incapable of self-care.

ENROLLMENT AND PARTICIPATION

(a) **Initial Enrollment:** You must enroll within 30 days after becoming an Eligible Employee. Employees are eligible for this benefit on the first day of the month following date of hire, at which time participation will begin. Days of employment prior to termination or unpaid leave of an employee is not counted for the service requirement.

(b) **Mid-Year Enrollment:** You must enroll within 30 days after becoming an Eligible Employee. Employees are eligible for this benefit on the first day of the month following date of hire, at which time participation will begin. Days of employment prior to termination or unpaid leave of an employee is not counted for the service

requirement.

(c) **Annual Open Enrollment:** If you do not enroll when you are first eligible, you must wait until the next Open Enrollment Period for another chance to participate (unless you experience an "Election Change Event" and make a "Qualifying Election Change," as discussed later in this *Summary*). Federal tax law prohibits any other mid-year enrollment. The Open Enrollment Period for each Plan Year will be determined by the Plan Administrator. Your participation begins on the first day of the Plan Year.

(d) **Enrollment Procedure:** The Plan Administrator will provide enrollment instructions. You must complete your enrollment within the time specified by the Plan Administrator.

(e) **FSA Election:** You must indicate the amount you want to contribute, if any, to a Dependent Care FSA and/or Medical FSA when you enroll.

ELECTION CHANGES DURING THE PLAN YEAR

(a) **Qualifying Election Changes:** Your election for any Plan Year cannot be changed during the Plan Year unless you experience an Election Change Event and make an election change that is on account of and consistent with the event (called a "Qualifying Election Change"). For complete details, request a copy of the Plan Document from the Plan Administrator or contact the Claims Administrator for assistance.

(b) **Examples.**

1. If you get married or add a child to your family (through birth or adoption), you can increase your Medical FSA and/or Dependent Care FSA election. A corresponding increase to your Pre-Tax Premium Benefit will occur.

2. If you divorce, a child no longer qualifies as your tax dependent due to reaching a limiting age, or a family member dies, you can decrease your Medical FSA election and you may decrease or terminate your Dependent Care FSA election. A corresponding decrease to your Pre-Tax Premium Benefit will occur.

3. If your spouse or a dependent starts or ends a job or increases or decreases his or her work hours and gain or lose eligibility for employer-sponsored health insurance or health flexible spending account coverage as a result, you can make a corresponding increase or decrease to your Pre-Tax Premium, Medical FSA and Dependent Care FSA coverage through this Plan.

4. If a court order requires you or another person to provide health coverage for an eligible child, a corresponding change can be made to your Pre-Tax Premiums and in your Medical FSA contributions.

5. If you, your spouse or your dependent gains or loses Medicare or Medicaid coverage, a corresponding change can be made to your Pre-Tax Premium and also in the contributions to your Medical FSA.

6. You may change your Pre-Tax Premium and Medical FSA election when going on or returning from FMLA leave in a manner that is consistent with FMLA requirements and Plan Rules.

7. If a child or other Dependent is no longer a Qualifying Individual (for example, your child turns 13), you may decrease or terminate your Dependent Care FSA election.

8. If your cost for dependent care changes, you may make a corresponding change to your Dependent Care FSA election (unless your Dependent Care provider is a relative).

9. If a mid-year election change is made by your Spouse or Dependent under his or her health insurance or if your Spouse's or Dependent's employer's plan has a different plan year or period of coverage than this Plan, you may make a corresponding election change to your Pre-Tax Premium.

10. If there is a significant change in the cost or coverage of your Health Insurance and you change your Health Insurance election, a corresponding change can usually be made to your Pre-Tax Premium.

11. You may revoke your Pre-Tax Premium election for your employer-sponsored health coverage under the cafeteria plan if you purchased a Qualified Health Plan through a competitive marketplace established under §1311 of the Patient Protection and Affordable Care Act, commonly referred to as an Exchange or a Health Insurance Marketplace (Marketplace).

12. You may revoke your Pre-Tax Premium election for your employer-sponsored health coverage under the cafeteria plan if your hours of service are reduced so that you are expected to average less than 30 hours of service per week but for whom the reduction does not affect the eligibility for coverage under your employer's group health plan.

(c) **You cannot elect an amount less than the amount already reimbursed:** An election change will not be consistent with an Election Change Event if the new amount elected is less than the amount already reimbursed from the Dependent Care FSA for the Plan Year.

(d) **Time limit for making Election Changes:** To change your election, you must request an election change not later than 30* days after the Election Change Event (even if you are on leave at the time). You cannot change your election more than 30 days after an Election Change Event.

*There are only two exceptions to the 30-day limit. The Children's Health Insurance Program Reauthorization Act (CHIPRA) permits you to request an election change no later than 60 days after the loss of your or your dependent's Medicaid or CHIP coverage because of loss of eligibility or within 60 days after the date you or your dependent

becomes eligible for a premium assistance subsidy under Medicare or CHIP.

(e) **Election Change process:** The Plan Administrator will provide instructions for requesting an election change. The Plan Administrator will determine whether an election change is permitted.

PARTICIPATION DURING A LEAVE OF ABSENCE

General Rules. Coverage will continue under this Plan during a leave of absence in accordance with the Company's leave policies and the terms and conditions of the Plan. If there is a conflict between the information provided in this section and the Company's leave policies, the Company's leave policies will control. Your leave must be approved by the Company.

You will be required to make your premium/contribution payments ("payment" or "payments") for coverage to continue. If you do not make the required payment when due (including any grace period), the Company may retroactively terminate your coverage to the last day for which you have paid. Expenses incurred during the period for which your coverage is retroactively terminated will not be covered. The Company can recover any payments owed. Upon return to work, any payments owed will be taken from your pay. Contact the Plan Administrator for coverage payment options.

(a) **Paid Leave of Absence:** Your FSA contributions will automatically continue as long as you continue to receive pay. Although you will continue to contribute to your Dependent Care FSA during a paid leave, dependent care expenses you incur during the leave will not be eligible for reimbursement due to tax rules. Do not submit claims for reimbursement for dependent care expenses incurred during your leave.

(b) **Unpaid Leave of Absence:** Your right to continue the Medical FSA and Pre-Tax Premiums coverage during unpaid leave depends on the type of leave. You should review the Company-Sponsored Health Insurance Summary Plan Description for the underlying details regarding the Pre-Tax Premium. Your Dependent Care FSA contributions will terminate during an unpaid leave. Dependent care expenses you incur during an unpaid leave will not be eligible for reimbursement. You may reinstate your Dependent Care FSA contributions on return from leave. If you do not elect to continue your Medical FSA coverage at the beginning of leave, you will not be able to submit medical expenses you incur during the leave for reimbursement. Rules regarding specific types of unpaid leave are as follows.

1. *FMLA Leave*: If you take FMLA leave, you may choose to continue or discontinue your Medical FSA coverage. You must notify the Company's Human Resources Department of your decision.

   i. If your Medical FSA coverage terminated, it will be reinstated on return from leave. You may choose to either reinstate the per pay-period contributions you had in place prior to leave (your contribution election for the Plan Year is

reduced by the contributions you missed during your leave); or increase your per pay-period contributions for the rest of the Plan Year to make up the contributions you missed during your leave (your contribution election for the Plan Year remains the same).

ii. Even if you choose to increase your per pay-period contributions to make up the contributions you missed during the leave, you will still not be able to submit expenses you incurred during the leave for reimbursement. (Medical expenses you incur during the leave will be eligible for reimbursement only if you elected to continue your Medical FSA in advance of your leave.)

2. *Military Leave*: If you go on a qualifying military leave of absence as defined by the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), you may continue your group health plan and Medical FSA coverage for up to 24 months during the military leave to the extent required by USERRA. You must pay for the coverage. You may reinstate your coverage on return from leave to the extent required by USERRA. Contact the Company's Human Resources Department for more information.

3. *Other Types of Leave*. Contact the Plan Administrator for details. If your Medical FSA coverage terminates as a result of your leave, you may elect to continue your coverage through COBRA. Medical FSA COBRA rights are explained in the *Notice* section of this *Summary*. If you do not elect to continue your coverage through COBRA, you will not be eligible to recommence participation until the next Open Enrollment Period or you experience an Election Change Event.

(c) **Open Enrollment during your Leave:** If the open enrollment period for the next Plan Year occurs during your leave and your participation in the Plan continues, you will be able to make elections for Plan benefits for the new Plan Year in the same manner as active employees. If you do not elect new benefits, you will not be eligible to participate in these benefits in the new Plan Year, unless you experience an Election Change Event and make an election change within 30 days of that event. If you do not make a new election for your group health plan coverage, the election in effect for the prior Plan Year will continue.

(d) **Making Election changes on return from Leave:** Election changes other than as noted in this section will not be permitted on return from leave unless you experience another Election Change Event and make the election change within 30 days of the event.

PART-TIME EMPLOYMENT AND ABSENCES FROM WORK FOR MINOR ILLNESS OR VACATION

(a) **Part-Time Employment.** Only Dependent Care Expenses incurred on the days during the week that both you and your spouse are working are eligible for reimbursement. If you and/or your spouse work part-time but are required to pay for dependent care on a weekly or monthly basis for both days worked and not worked (part-time daycare is not available), the entire cost will be eligible for reimbursement.

(b) **Short-Absences Due to Minor Illness or Vacation.** Only Dependent Care Expenses incurred on the days during the week that both you and your spouse are working are eligible for reimbursement. Dependent Care Expenses incurred while you and/or your spouse are absent from work for a few days due to a minor illness or vacation, however, are still eligible for reimbursement if you are required to pay for dependent care on a weekly or monthly basis for both days worked and not worked.

OBTAINING REIMBURSEMENTS

(a) **Amount available for reimbursement for the Medical FSA:** Regardless of the amount you have contributed to the Medical FSA, the entire amount of your contribution election for the Plan Year (your Annual Contribution Election) less any prior reimbursements will be available to you at all times during the Plan Year. You will be reimbursed the entire amount of your claim, if it is less than your Annual Contribution Election.

(b) **Amount available for reimbursement for the Dependent Care FSA:** The amount available for reimbursement during the Plan Year will be limited to the balance in your Dependent Care FSA (your payroll contributions, less any reimbursements already made from the Account for that Plan Year).

(c) **Expense must be eligible for reimbursement under the Plan:** The expenses must qualify as a Dependent Care or a Medical Expense within the meaning of the Plan for reimbursement from the Dependent Care or a Medical FSA. Please refer to www.selectaccount.com for a list of eligible expenses.

(d) **Expense must have been incurred during your period of coverage for Plan Year:** You may only use your FSA to pay for FSA Expenses that you incurred during the Plan Year. Expenses incurred during one Plan Year cannot be reimbursed from contributions made during another Plan Year. An expense is incurred when the care or service giving rise to the expense is provided. The date of billing or payment does not matter. The only exception is that expenses may be treated as incurred for orthodontia services before the services are provided if the orthodontist (following his or her normal practice) requires you to make advance payments to receive the services (*e.g.*, requires you to pay a lump sum for services to be provided that year and the next).

(e) **Expense cannot be reimbursed out of other accounts:** Amounts contributed to the Dependent Care FSA cannot be used to reimburse expenses from the Medical FSA and vice versa.

(f) **Claim Submission Requirements must be satisfied.**

1. *Claims must be submitted to Claims Administrator.* Claims should be sent or faxed directly to the Claims Administrator at the address or number listed on the bottom of the claim form.

2. *Claims must be submitted during the Plan's Claims Submission Period.* **SelectAccount must receive all claims for reimbursement in our office no later than 3 months after the plan year end date to be reimbursed.**

   Dependent Care FSA: For employees that have terminated during the plan year, claims must be received 3 months from the plan year end.

   Medical FSA: For employees that have terminated during the plan year and they have not elected COBRA (if available) claims must be received in our office 3 months from the termination date.

   For employees that have terminated during the plan year and have elected COBRA (if available) claims must be received in our office 3 from the plan year end. Upon termination of COBRA, claims must be received in our office 3 months from termination date.

3. *Documentation must be provided.* To receive reimbursement for an Eligible Expense, you must submit a completed claim form and documentation of the expense from an independent third party (for example, an itemized bill or receipt or an Explanation of Benefits) showing: (i) date of service; (ii) type of service; (iii) cost of service; (iv) name of care provider; and (v) name of person receiving care. If claim information is incomplete, the claim may be denied and payment delayed.

4. *Claims cannot be reimbursed by Health Insurance.* You cannot submit claims for reimbursement if you have already been reimbursed by health insurance or if you intend to request reimbursement.

(g) **Method of Reimbursement:** To the extent the Claims Administrator determines that a claim is properly payable under the Plan; you will be reimbursed for the expense, either through a check or via direct deposit, if you have selected that option. Reimbursements will be issued as scheduled by the Claims Administrator. Your claim for a Dependent Care Expense will be paid up to the amount you have contributed to your Dependent Care FSA as of the day the claim is processed. If the claim amounts exceed the amount in your account, you will be reimbursed up to the amount available in your account. A claim balance will be carried forward and will be paid when additional funds become available. You do not need to send in more than one claim for an Eligible Expense.

(h) **Recovery of improper Reimbursements:** You will be required to repay the Plan for reimbursements determined by the Claims Administrator to be ineligible for reimbursement under the Plan or otherwise improper. The Claims Administrator may use one or more of the following recovery methods: (i) you repay the amount to your FSA or to the Plan, as determined by the Claims Administrator; (ii) offsetting the amount from future reimbursement payments to you for Eligible Expenses incurred in the same Plan Year; or (iii) withholding the amount from your compensation to the extent permitted by law. If these recovery methods are unsuccessful, the improper reimbursement may be treated as a business debt and the amount reimbursed will be

included in your W-2 income.

CLAIMS AND APPEAL PROCEDURE

(a) Initial Determination on claim for Reimbursement

1. *Time Period.* Within 30 days after receipt of a claim, the Claims Administrator will make its decision on the claim. The 30-day period for the initial review determination by the Claims Administrator may be extended by up to 15 additional days if: (i) such an extension is necessary due to special circumstances beyond the control of the Plan; and (ii) the Administrator provides notice of the extension to you prior to the expiration of the initial 30-day period which indicates the circumstances requiring the extension of time and the date by which the Plan expects to render its decision. If an extension is necessary due your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information you must submit and you will be provided at least 45 days from your receipt of the notice within which to provide the required information. The time period for making the initial determination will be tolled from the date on which the notification of the extension is provided to you until the date you respond to the request for additional information.

2. *Written Notice of Denial.* If a claim is denied, in whole or in part, the Claims Administrator will send written notification of the denial to you which will include the specific reason for the denial, a reference to the Plan provision on which the denial is based, a description of additional information or documents necessary in order for the claim to be eligible for reimbursement, and a description of the Plan's appeal procedure.

(b) Appeal Rights and Procedures.

1. *Written Request for Appeal Review.* If your entire claim is not paid, you have the right to appeal the denial to the Claims Administrator. You must send a written request for an appeal review to the Claims Administrator within 180 days of your receipt of the notice of the denial of the claim. Your request for review should include the specific reason(s) you believe the claim is eligible for reimbursement under the terms of the Plan.

2. *Right to Review Documents/Submit Comments.* You have the right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim. You may submit written comments, documents, records, and other information to the Claims Administrator and the information will be considered on review regardless of whether the information was submitted or considered in the initial claim determination.

3. *Person Conducting Review.* The review will be conducted by a person who is

neither the individual who made the initial benefit determination nor a subordinate of that individual, and no deference will be afforded to the initial review determination.

4. *Notice of Continued Denial.* If the denial is upheld in whole or part, the Claims Administrator will send notification of the denial to you. You will be notified of the Claims Administrator's decision on appeal in writing within 60 days after the plan administrator received your appeal. The notice will include the Claims Administrator's reason for its decision.

   i. *Level Two Appeal Process.* Following the Level One Appeal Process, you have additional voluntary appeal rights through SelectAccount. If you are not satisfied with our decision, you may elect to further appeal to SelectAccount by sending a letter within 30 days or the later of your run out end date requesting our SelectAccount Corporate Appeals Committee to reconsider the decision. If you have terminated employment during the year or if you are unsure of your plan's run out end date please contact your group representative or our customer service department. You have the option to present your concerns to the SelectAccount Corporate Appeals Committee either in person or via telephone conference call. A written notification of the Committee's decision about your appeal will be sent within 30 days from the date your request is received.

   ii. You may elect this voluntary appeal (Level Two Appeal) only after you have submitted a Level One Appeal and that appeal has been denied. You are not required to submit a Level Two Appeal prior to bringing a claim in court (the plan will not assert that you failed to exhaust administrative remedies in not submitting to a Level Two Appeal). The six-month limitation period provided in the Plan Document within which you may bring a claim to court is tolled during the time that the Level Two Appeal is pending.

FORFEITURE OF ACCOUNT BALANCE

According to federal tax law, amounts remaining in your FSA after the end of the Claims Submission Period following payment of Eligible Expenses incurred during the Plan Year must be forfeited. Such forfeited amounts will be used by the Plan Administrator, in its discretion, to pay the cost of benefits under the Plan, for administrative costs of the Plan, or to provide additional benefits to participants. Planning carefully on the amount to contribute to the spending accounts should help you to avoid forfeitures. Refer to our *SelectAccount Flexible Spending Accounts Quick Start Guide* for a Worksheet to help you determine your contribution.

TERMINATION OF PARTICIPATION DUE TO TERMINATION OF EMPLOYMENT

(a) **When Participation ends:** If your employment with the Company terminates, your participation in the Plan will end as of the date of your termination of employment.

(b) **Health Insurance Coverage after termination:** Health Insurance Premiums incurred after the date of your termination from employment cannot be paid on a pre-tax basis through this Plan.

(c) **Dependent care expenses incurred after termination:** If you have a balance remaining in your Dependent Care FSA after your termination from employment, your participation in this benefit will be deemed to continue until you have "spent down" your Account or through the end of the Plan Year in which your termination occurred, whichever occurs first. You can submit Dependent Care Expenses incurred after the date of your termination but before the end of that Plan Year. All other Plan requirements for eligibility of Dependent Care Expenses, including that the expenses must be necessary for you to work or to find work, must be satisfied.

(d) **Medical Expenses incurred after termination:** Medical expenses incurred after the date of your termination from employment will not be eligible for reimbursement unless you elect to continue your participation in the Medical FSA. Please refer to the COBRA continuation information in the "Notice" section below.

(e) **Amounts remaining after termination:** Any amounts remaining in an account after the end of the Claims Submission Period for the Plan Year in which the termination occurred will be forfeited.

(f) **Re-employment by a Participating Employer:** If you terminate employment and are re-employed by a participating employer, you may participate in the Plan. Whether you are required to resume your elections in place prior to your termination or may make new elections depends on the length of time between your termination and reemployment and whether you are reemployed in the same Plan Year or a new Plan Year.

A Participant who terminates employment and <u>is re-employed by a participating employer in an Eligible Employee class within 30 days and within the same Plan Year</u> will be required to resume participation in the Plan and the participant's prior benefit elections will be reinstated.

A Participant who terminates employment and <u>is re-employed by a participating employer in an eligible employee class after 30 days or more and within the same Plan Year</u> will be treated as a new employee. Such a person must satisfy any Service Requirement and re-enroll in the Plan.

A Participant who terminates employment and is re-employed by a participating employer in an eligible employee class in a new Plan Year will be treated as a new employee. Such a person must satisfy any Service Requirement and re-enroll in the Plan.

OTHER REASONS FOR TERMINATION OF PARTICIPATION

(a) Your participation in this Plan can also end if:

1. you no longer qualify as an Eligible Employee;

2. your Employer stops participating in this Plan;

3. you commit fraud or misrepresent your eligibility to participate or the eligibility of a claim for reimbursement under this Plan; or

4. the Company terminates the Plan;

5. if the certifications you made to participate are no longer accurate.

(b) The rules discussed above for termination of participation as a result of termination of employment also apply if termination of participation occurs for other reasons.

NOTICES

(a) **COBRA Continuation of Medical FSA Coverage:** You, your spouse or any of your dependents who lose coverage under the Medical FSA as a result of a "qualifying event" are “qualified beneficiaries” and will be eligible to continue Medical FSA coverage for the remainder of the current Plan Year as indicated in this section.

1. *Medical FSA positive balance requirement.* To be eligible for COBRA: (i) there must be a positive balance in your Medical FSA as of the date your coverage would otherwise terminate because of a qualifying event; and (ii) the COBRA Premiums you are required to pay for the remainder of the Plan Year must exceed available reimbursements.

2. *Qualifying Events.* For employees, the qualifying events are: (i) termination of employment for any reason other than gross misconduct; and (ii) a reduction in hours. For a spouse or dependent, the qualifying events may include: (i) the employee's termination of employment for any reason other than gross misconduct; (ii) the employee's loss of eligibility for coverage due to a reduction in scheduled work hours; (iii) the employee's death; (iv) the employee's divorce or legal separation; (v) a dependent child's ceasing to qualify as an eligible dependent under the Medical FSA; and (vi) the employee’s becoming entitled to Medicare benefits (under Part A, Part B, or both).

3. *Maximum COBRA Coverage Period.* COBRA continuation coverage is a temporary continuation of Medical FSA coverage. For each qualified beneficiary who elects COBRA continuation coverage, the COBRA coverage will begin on the date of the qualifying event. The maximum COBRA coverage period is through the end of the Plan Year in which the qualifying event occurred and any Grace Period following such Plan Year. The continuation coverage period is

a maximum period that will be reduced as described below.

4. *You Must Provide Notice to the Plan Administrator of Certain Events.* The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment, reduction of hours of employment, or the employee's death, the employer will notify the Plan Administrator of the Qualifying Event. Qualified beneficiaries must notify the Plan Administrator of the employee's divorce, legal separation or child's ceasing to qualify as a dependent under the Medical FSA within 60 days of the date of the qualifying event. If the Plan Administrator is not given the notice within 60 days, the right to continue coverage will be lost.

5. The notice must be in writing, must contain the information described below, and must be mailed by first class mail, postage prepaid and addressed to the Plan Administrator at the address indicated in the Plan Specifications section of this summary.

6. The notice must contain the following information: (i) the name, address and Social Security Number of the employee; (ii) the name, address and Social Security Number of each qualified beneficiary (*e.g.*, employee, spouse, dependent child); (iii) a description of the qualifying event; (iv) the date of the qualifying event; and (v) a list of the Benefit Options under which the affected qualified beneficiaries are covered.

7. *Type of Coverage available for Continuation***.** A qualified beneficiary may elect to continue the Medical FSA coverage in effect immediately before the qualifying event.

8. *Who may elect COBRA Coverage?* An employee can make the election for himself or herself, his or her spouse, or any of his or her dependent children. If the employee does not make the election, his or her spouse can make the election for himself or herself and any dependent children. Finally, if neither the employee nor spouse makes the election for a dependent child, the dependent may make the election for him or herself. (A child who is born to, or placed for adoption with, the employee while the employee is continuing coverage under COBRA and who becomes covered by the Medical FSA will have independent COBRA election rights as if he or she were covered at the time of the qualifying event.)

9. *COBRA Election Period.* After a qualifying event or receiving notice of a qualifying event (if notice is required), the Plan Administrator will send qualified beneficiaries a notice regarding COBRA election rights. Qualified beneficiaries will have 60 days from the date of such notice (or from the date coverage would otherwise terminate because of the qualifying event, if the coverage would stop after the notice is sent) in which to file a written election to continue coverage. If

a qualified beneficiary does not file the election within the 60-day period, he or she will lose the right to continue Medical FSA coverage. The election must be filed with the Plan Administrator at the address specified in the election form.

10. *COBRA Contributions.* Contributions for the continuation coverage will be on an after-tax basis unless your Compensation continues and the Plan Administrator permits pre-tax contributions for continuation coverage. A qualified beneficiary must pay the full contribution, plus a 2% administration fee, for any coverage he or she continues. He or she must make the first contribution payment, covering the period between the date coverage would otherwise stop and the end of the month preceding the date of the payment, within 45 days after the date the election to continue coverage was filed. Subsequent contributions are due on the first day of each month for which a qualified beneficiary continues coverage, and coverage will end if he or she fails to pay the contribution for any month within 30 days after the due date.

11. *No COBRA Coverage Pending Election or Payment.* A qualified beneficiary will not have COBRA coverage until he or she has elected the coverage and made the required contribution payment. No claims for health care incurred while coverage is not in effect will be eligible for reimbursement. Once a qualified beneficiary makes the election and pays the contribution, coverage will be reinstated retroactively to the date he or she lost the coverage.

12. *Termination of COBRA Coverage.* The continuation coverage will terminate when the first of the following events occurs: (i) the end of the current Plan Year; (ii) the qualified beneficiary fails to pay the initial contribution within 45 days after your election, in which case he or she will be treated as not having elected to continue Medical FSA coverage; (iii) the qualified beneficiary fails to pay any other contribution within 30 days after it is due, in which case coverage will end as of the end of the last day of the month for which he or she made a timely contribution payment; (iv) after electing continuation coverage, the qualified beneficiary becomes entitled to any other group health plan that does not limit or exclude coverage because of a preexisting condition (coverage already in place at the time of the continuation coverage election will not cause termination of continuation coverage); and (v) the employer ceases to provide Medical FSA account benefits to any of its employees.

13. *Keep the Plan informed of Address Changes.* To protect Medical FSA COBRA continuation rights, qualified beneficiaries should keep the Plan Administrator informed of any address changes.

14. *Keep Copies of Notices.* Qualified beneficiaries should also keep copies for their records of any notices sent to the Plan Administrator.

15. *Plan Administrator Contact Information.* The address and telephone number for the Plan Administrator is listed in the Plan Specifications section of this

summary.

(b) **HIPAA Privacy Rule notice of Privacy Practices:** The Medical FSA component of the Plan is subject to the HIPAA Privacy Rule ("Privacy Rule"). You can obtain a copy of the Plan's *Notice of Privacy Practices* (which summarizes the Plan's Privacy Rule obligations, your Privacy Rule rights, and how the Plan may use or disclose health information protected by the Privacy Rule) from the Plan Administrator.

(c) **Company's Right to terminate or amend the Plan:** The Company reserves the right to amend or terminate the Plan at any time and without notice.

(d) **No guarantee of employment:** Participation in this Plan is not a guarantee of employment.

(e) **Plan Administrator's Discretion:** The Plan Administrator (and persons to whom it has delegated powers, to the extent of such delegation) has total and complete discretionary authority with respect to administration and interpretation of the Plan. Benefits under the Plan will only be paid if the Plan Administrator decides in its discretion that a claimant is entitled to them.

PLAN SPECIFICATIONS

Employer, Plan Sponsor and Plan Administrator:

City of Phillipsburg
945 2nd St
PO Box 447
Phillipsburg, KS 67661

Telephone: 785-543-5234

Type of Plan:

Cafeteria Plan which includes Medical FSA, Dependent Care FSA, and Pre-Tax Premium Plan

Claims Administrator:

SelectAccount
3535 Blue Cross Road
Eagan, MN 55122-1154
651-662-5065 or 800-859-2144
www.selectaccount.com

Plan Year:

January 1 through December 31

Carryover Option:

Your employer has offered a carryover of the Medical FSA; the amount that may be carried over to the following plan year is equal to the lesser of:

1. any unused amount from the immediately preceding plan year, or;
2. $500.

The specific Carryover amount is generally determined at the end of the run out period following such Plan Year ("Carryover"). The Carryover amount does not affect the maximum amount of salary reduction contributions that the participant is permitted to make under §125(i) of the Code.

If you incur an eligible expense during a Plan Year ("Current Year Expense") but before the end of the prior Plan Year's run out period, the plan administrator may, at its discretion, apply up to $500 of the amount unused *at the end of the prior Plan Year* (if any) towards the Current Year Expense. NOTE: This will reduce the amount that is available to reimburse expenses incurred during the prior Plan Year ("Prior Year Expenses") submitted during the prior Plan Year's run out period and it will reduce the Carryover Maximum by the same amount.

If you are otherwise eligible for the Medical FSA for a Plan Year but you do not make an election to participate, you may still use any Carryover from the Prior Plan Year for Current Year Expenses and Prior Year Expenses (in accordance with terms of the Plan and the ordering rules described above).

Under IRS rules, if you have unused Medical FSA amounts on the last day of a Plan Year in a general purpose Medical FSA (i.e., anything other than a $0 balance), you (and your spouse, if you are married) cannot contribute to an HSA during the following plan year. For this purpose, whether you have unused Medical FSA amounts is determined on a cash basis—that is, without regard to any claims that have been incurred but have not yet been reimbursed (whether or not the claims have been submitted). Therefore, if you chose to establish an HSA in the following Plan year, your Carryover amounts will be directed to a limited purpose Medical FSA (if offered).

You must be a participant in the Medical FSA as of the last day of the Plan Year to benefit from the Carryover. Termination of employment and cessation of eligibility will generally result in a loss of Carryover eligibility unless a COBRA election is made.

Your SelectAccount Group Number:

011926

Use of Debit Cards:

You may obtain an immediate conditional reimbursement for eligible medical expenses from your applicable spending account using a Debit Card.

The Debit Card conditional reimbursement is subject to the following conditions:

- Upon enrollment and at the beginning of each Plan Year, you must certify that the debit card will only be used for eligible medical expenses and that any such expenses paid using the Debit Card will not be reimbursed from any other plan. Each use of the Debit Card will be considered reaffirmation of this certification.

- The Debit Card can only be used at a merchant or health care provider with specified merchant codes relating to medical care.

- The status of all purchases using the Debit Card as eligible medical expenses for reimbursement under this Plan must be substantiated in accordance with Plan Rules. The Claims Administrator will provide details regarding the substantiation requirements.

- If you have received conditional reimbursement for an expense from your FSA using a Debit Card and the Plan Administrator or Claims Administrator later determines that such expense does not qualify as an eligible medical expense, the Claims Administrator may prohibit your use of the Debit Card until the improper reimbursement amount is recovered. The Claims Administrator will use the recovery methods indicated in the "Recovery of Improper Reimbursements" section.

Salary Reduction from Last Paycheck of the Plan Year

Salary reduction amounts from the last paycheck of the Plan Year may be used to pay for the first month of benefits elected for the next Plan Year.

APPENDIX A

List of Eligible Dependent Care Expenses

The following are examples of the types of Dependent Care Expenses that are eligible:

- Care at licensed nursery schools, specialty day camps (not overnight camp), and day care centers for children under 13. (If the care services facility normally cares for more than six people, the care services facility must comply with all state and local laws, including licensure laws.)
- Incidental household services related to the care of an eligible dependent.
- Overnight care (not overnight camp) if you (and if married, your spouse) work at night.
- Cost of transportation by a daycare provider to or from the place where care is provided.
- Care at independent daycare providers (neighbors, friends, relatives, etc.).
- Care at a licensed daycare center for disabled adult dependents. (The adult must normally spend at least eight hours per day in your home; and if the care services facility normally cares for more than six people, the care services facility must comply with all state and local laws, including licensure laws.)
- Care provided by a nanny in your home (including the cost of room and board, employment taxes and agency fees if required to obtain the nanny's services).
- Care provided during the day while you are sleeping if you work at night and your spouse works during the day.

The following are examples of expenses that are not eligible:

- The cost of schooling for kindergarten or higher (the cost of care provided before and after school is eligible).
- Amounts paid for services provided by your child or your spouse's child who is under the age of 19.
- Amounts paid to a person who qualifies as your tax dependent, regardless of his or her age.
- Care provided on days that you are not working (unless you are required to pay for expenses on a weekly or monthly basis)
- Care provided while you or spouse is not working, including if you or your spouse is on a leave of absence.
- The cost of overnight camp.
- Care provided so that you or your spouse can perform volunteer services.
- Care provided so that you or your spouse can attend a social event.
- Care provided by your spouse or child's parent (*e.g.*, your ex-spouse).
- Forfeited daycare deposits.

February 15, 2016

Important Items

Projects: Klink –Bid Results

Upcoming Training

Safety Training 2-15-16

Upcoming/Performed Maintenance

- Maintenance Crews
    - Snow removal
    - Tractor problems
    - Hauled Millings
    - Work Orders- completed
    - Preparation for future projects.

Other Items

- Code Enforcement Update
- Rural Water discussion
- Airport Board update- Meet with Diane on 17th@2:00
- Planning Commission Meeting 17th @ 5:30 with Riggs &Associates

FEB 1 2 2016

WHAT: *Post Prom Party*
WHEN: *Saturday, April 9, 2016*
WHERE: *Phillipsburg High School Gym*
FOR: *All Phillipsburg Junior's, Senior's, Prom Servers and their dates*
HOSTED BY: *Junior & Senior Parents*
SPONSORED BY: *Gracious Donors and Parents*

The 2016 Post Prom Party planning is underway. Parents & students have been fundraising by hosting concession stands, cake & cookie raffles, craft raffles, "All Sports Passes" raffle and the Drive Thru Meal. Our goal is to provide a fun evening for our youth to gather without the use of drugs and/or alcohol.

On behalf of the Post Prom Committee we are writing to ask for your support of this event. Without your support, this evening would not be possible for the local youth of Phillipsburg High School. We ***sincerely appreciate*** *all monetary donations and gifts we receive and want to ensure each local business that our goal is to spend your donations locally!*

If you are willing to invest in our local youth and donate towards this fun event, please send your contributions to:

Phillipsburg Post Prom
c/o Rhonda Stegmaier
543 E Thunder Lane
Phillipsburg, KS 67661

If you have any questions, please contact Rhonda Stegmaier at 543-4907 or rrstegmaier@ruraltel.net or Kristy Rogers at 533-1347 or peteandkristy@gmail.com.

Please call or email us and we will make arrangements to pick up any items you would like to donate.

Sincerely,

Phillipsburg Post Prom Committee

MUNICIPAL COURT CASELOAD SUMMARY
Municipal Court of the City of PHILLIPSBURG
For the quarter ending: 1/31/2016

1. NUMBER OF CASES PENDING BEGINNING OF QUARTER 33
(must equal pending at end of last quarter)

2. NUMBER OF CASES FILED DURING QUARTER

D. OTHER TRAFFIC VIOLATIONS	35	
E. CRIMES AGAINST PERSONS	3	
H. OTHER CRIMES	4	
I. SEATBELT VIOLATION	1	
TOTAL FILINGS THIS QUARTER		43

3. TOTAL CASELOAD (1 plus 2) 76

4. NUMBER OF CASES DISPOSED OF DURING QUARTER

	Driving Under the Influence		All Other Cases		
a. Guilty Pleas	0		39		
b. Bond Forfeitures	0		0		
c. Dismissals	0		3		
d. Trials (on Plea of Not Guilty)	0		1		
e. Diversion Agreements	0		0		
TOTAL DISPOSITIONS THIS QUARTER	0	+	43	=	43

5. NUMBER OF CASES PENDING AT END OF QUARTER 33
(3 minus 4; equals actual pending caseload)

6. NOTICES OF APPEAL TO THE DISTRICT COURT 0
(filed this quarter)

SIGNATURE: _____

	A	B	C	D	E	F	G
1	**PERMIT**	**NAME**	**ADDRESS**	**DATE**	**DESCRIPTION**	**EST. COST**	**FEE**
2	16--1	Shopko Hometown	1401 State Street	1/5/2016	Sign	$2,000.00	$10.00
3	16--2	Terry Davis	450 5th Street	1/29/2016	water well	$1,000.00	$10.00
4	16--3						