

COAL CITY VILLAGE BOARD MEETING

**MONDAY, DECEMBER 14, 2015
7 P.M.**

**COAL CITY VILLAGE HALL
515 S. BROADWAY, COAL CITY, ILLINOIS**

AGENDA

1. Call meeting to order
2. Pledge of Allegiance
3. Approval of Minutes November 23, 2015 Public Hearing
November 23, 2015 Regular Meeting
4. Approval of Warrant List
5. Public Comment
6. Presentation of Check AT&T
7. Annual Workman's Compensation and Liability Insurance Renewal
8. Presentation and Approval of Engagement Letter
Chief's Strategies, LLC

**COAL CITY VILLAGE BOARD
PUBLIC HEARING
TRUTH AND TAXATION
NOVEMBER 23, 2015**

At 7 p.m. on Monday, November 23, 2015 at 7 p.m., Mayor Terry Halliday called to order the Truth and Taxation Public Hearing regarding the 2015 tax levy. Roll call- Trustees Neal Nelson, Dan Greggain, Dave Togliatti and Justin Wren. Absent; Trustees Ross Bradley and Tim Bradley. (Trustee Ross Bradley arrived at 7:02 p.m.) Also in attendance was Matt Fritz, village administrator, Police Chief Tom Best, attorney Mark Heinle and Joe McKenna from Chamlin Engineering.

Mr. Fritz explained the proposed 2015 property tax levy. The reduced EAV figure received from the Grundy County Assessor's Office is \$99,999,111. Operation expenses increased due to the June 22nd tornado. The proposed levy was reviewed by the Finance Committee and previously by the Village Board. It may be adopted at the regular meeting this evening and is required to be recorded with the County Clerks on or before the last Tuesday in December.

There was no public comment at this meeting.

Togliatti moved to adjourn the public hearing, second by Wren. Roll call-Ayes; Nelson, R. Bradley, Greggain, Togliatti, and Wren. Nays; none. Absent; T. Bradley. Motion carried and the public hearing was adjourned at 7:05 p.m.


Pamela M. Noffsinger, Village Clerk

**COAL CITY VILLAGE BOARD MEETING
NOVEMBER 23, 2015**

**STATE OF ILLINOIS
COUNTIES OF GRUNDY AND WILL
VILLAGE OF COAL CITY**

At 7:05 p.m. on Monday, November 23, 2015, Mayor Terry Halliday called to order the regular meeting of the Coal City Village Board in the boardroom of the Village Hall. Roll call-Trustees Neal Nelson, Ross Bradley, Dan Greggain, Dave Togliatti, and Justin Wren. Absent; Tim Bradley. Also in attendance was Matt Fritz, village administrator, attorney Mark Heinle, Police Chief Tom Best and Joseph McKenna from Chamlin Engineering.

All present recited the Pledge of Allegiance.

The minutes of the November 9, 2015 meeting were presented. Wren moved to approve the minutes as written, second by R. Bradley. Roll call-Ayes; Nelson, Bradley, Togliatti and Wren. Nays; none. Absent; T. Bradley. Pass; Greggain. Motion carried.

The warrant list was presented for approval. Nelson moved to approve the warrant list, second by Greggain. Roll call-Ayes; Nelson, R. Bradley, Greggain, Togliatti and Wren. Nays; none. Absent; T. Bradley. Motion carried.

There was no public comment at this meeting.

Renee Super representing the Coal City Junior Woman's Club approached the Board with the request and plans for the upcoming Tree Lighting Ceremony to be held on Sunday, November 29th. The itinerary of the event was presented. The Campbell Memorial Park Gazebo and board room at the Village Hall will be needed for the day's event. The Board approved the request and thanked the Junior Woman's Club for sponsoring the event.

Amy Henson from the Coal City Fire & Police Board of Commissioners was in attendance to give an update to the Board regarding the eligibility list. Eighty applicants applied and seventy attended the testing. The State mandated eligibility list is good for a two year period. Mrs. Henson gave an update regarding the recent attendance at the bi-annual conference. The three Coal City Fire & Police Board of Commissioners attended the conference.



Mr. Fritz presented Ordinance 15-38, a variance requested by the Coal City Unit School District #1 regarding the baseball field on Carbon Hill Road and Oak Street. Jason Smith was in attendance representing the school district. The ball field, bleachers and press box/storage building were damaged in the recent tornado. Reconstruction permitted would be a press box not to exceed 17 feet 6 inches in height and permitted encroachments not to exceed 270.2 square feet from Carbon Hill Road and 3.7 square feet from Oak Street. The matter was presented to the Coal City Planning and Zoning Board and they are making the approval recommendation to the Coal City Village Board. Greggain moved to adopt Ordinance 15-38 granting variances to the Village Code for height requirements and yard encroachments at the Coal City High School Baseball Field, second by Wren. Roll call-Ayes; Nelson, R. Bradley, Greggain, Togliatti and Wren. Nays; none. Absent; T. Bradley. Motion carried.

Ordinance 15-39, a side yard setback variance at 540 E. Barber was requested by Roberto Rodriguez. Mr. Fritz explained that the variance is requested for the construction of a shed on the east side of the property not to exceed a 7-foot encroachment. The property owners are planning on placing a swimming pool and patio on the property and due to a storm easement of the property, the variance is requested. The issue was presented to the Coal City Planning and Zoning Board, a public hearing was conducted and that Board is making the recommendation for the approval of the variance request. Wren moved to adopt Ordinance 15-39 granting a variance to the Village Code for the location of a shed within the side yard setback at 540 E. Barber, second by Togliatti. Roll call-Ayes; Nelson, R. Bradley, Greggain, Togliatti, and Wren. Nays; none. Absent; T. Bradley. Motion carried.

Ordinance 15-40 is the 2015 property tax levy. Mr. Fritz stated that the public hearing on the matter was held just prior to tonight's meeting. Nelson moved to adopt Ordinance 15-40 establishing the 2015 Property Tax Levy, second by R. Bradley. Roll call-Ayes; Nelson, R. Bradley, Greggain, Togliatti and Wren. Nays; none. Absent; T. Bradley. Motion carried.

Resolution 15-16 approving the final plat of Phase 3 Meadow Estates Subdivision was presented for approval. Mr. Fritz informed the Board that this phase consists of six parcels. No fences, structures or trees will be placed on the Claypool Drainage easement on Lots 1 and 59 and will remain as green space. Mark Scaggs, developer of

the subdivision was present for questions and comments. Following discussion, R. Bradley moved to adopt Resolution 15-16 providing final plat approval of Phase Three Meadow Estate Subdivision, second by Greggain. Roll call-Ayes; Nelson, R. Bradley, Greggain, Togliatti and Wren. Nays; none. Absent; T. Bradley. Motion carried.

Attorney Mark Heinle explained the agreement presented from Ice Miller regarding the sale of the Series 2015 Bonds. Ice Miller will act as disclosure counsel for the sale and Stern Brothers will be represented by Schiff-Hardin. The approximate fee for this representation is \$10,000. Togliatti moved to authorize Mayor Halliday to enter into an Agreement with Ice Miller as Disclosure Counsel for the Series 2015 Bond sale, second by Greggain. Roll call-Ayes; Nelson, R. Bradley, Greggain, Togliatti and Wren. Nays; none. Absent; T. Bradley. Motion carried.

Mayor Halliday reported:

- HB 3305 regarding the release of funds by the State to municipalities was approved by the House of Representatives and Senate
- Lighting concerns for safety purposes in the tornado affected area of the Village
- Report of the Veteran's Day Service on November 11th. Nine WWII veterans were in attendance
- The annual turkey dinner at the Diamond Banquet Hall was held on November 22nd with over 1,000 pounds of turkey being distributed. He said it was an incredible event and thanked all who participated in donating, preparation and distribution of the dinners
- He thanked the maintenance department on their prompt response to the recent snow fall
- Lastly, Mayor Halliday wished everyone a Happy Thanksgiving

Trustee Nelson reported:

- 1,350 pounds of turkey was distributed at the annual turkey dinner and that it was his honor to assist and serve the community
- A Grundy County Board member reported that Naperville Public Works Department will take hazardous waste products every Saturday and Sunday
- Nelson reported that in light of the tornado events of 2015, there is still a lot to be done but this community has a lot to be thankful for this year



Coal City Village Board Meeting
November 23, 2015
Page Four

Attorney Heinle reported that the Virginia Street demolition proceeds and that perhaps the physical demolition could be added to the tornado demolition bids project. A December 11th court date is scheduled.

Joseph McKenna announced that the bid letting for the tornado demolition of property is scheduled for December 9th. The results will be presented to the Board at their next meeting.

Chief Best reported:

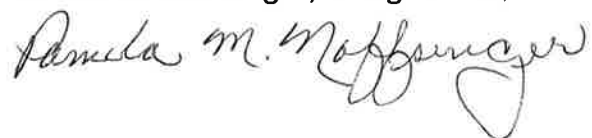
- Updating trailer ordinance
- Police authorizing towing is being reviewed
- Ride alongs is also being reviewed and updated
- Civic Academy will be hosted by the Coal City Police Department with the first class scheduled for 2016
- The new monitoring system is being implemented at the police department
- Discussion regarding street light outages:
 1. Need new poles installed by ComEd
 2. Need a light plant at Pheasant
 3. Three street lights are the responsibility of the Village
 4. Twelve lights are the responsibility of ComEd
 5. Outage list maintained at the police department
 6. Mayor Halliday suggested that data be compiled regarding turn over time for repairs reported to ComEd
- Thanked Bob Malone for the maps for the squad cars

Matt Fritz reported:

- December 28th Board meeting will be cancelled
- Building Department report with the number of permits being issued and the number of registered contractors
- Add number of inspections to the report was the suggestion of Mayor Halliday

Greggain moved to adjourn the meeting, second by Wren. Roll call-Ayes; Nelson, R. Bradley, Greggain, Togliatti and Wren. Nays; none. Absent; T. Bradley. Motion carried. The meeting was adjourned at 7:53 p.m.

Pamela M. Noffsinger, Village Clerk



MEMO

TO: Mayor Halliday and the Board of Trustees

FROM: Matthew T. Fritz
Village Administrator

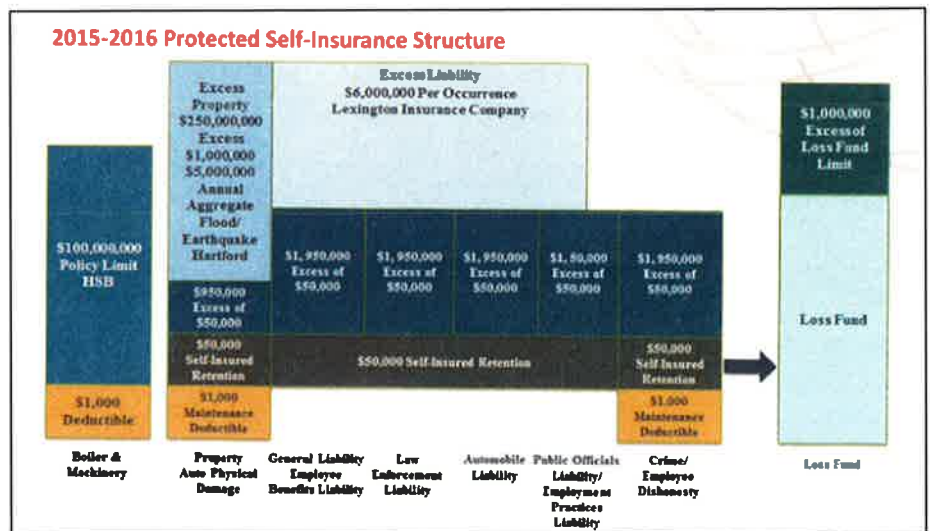
MEETING

DATE: December 14, 2015

RE: ANNUAL WORKERS' COMPENSATION AND LIABILITY INSURANCE RENEWAL

Each year, the Village purchases liability insurance as well as workers' compensation insurance to guard against the out-of-pocket costs of potential claims against the Village due to its operations and to protect the property including buildings and equipment. Much like homeowner's insurance, as the policy is utilized to payout for damages more frequently the cost of renewal increases. Although the village has experienced increasing rates over the past few years, recent experience has resulted in significant savings for the workers compensation coverage renewal and a slightly higher liability coverage renewal. Attaining the coverage via a consortium of communities is allowing the Village to enjoy the benefits of self-funded insurance coverage. The consultant from Gallagher, Jessica Govic, will attend Monday evening to walk through this year's renewal.

As a reminder to the Board, Coal City entered into the Illinois Municipal Insurance Cooperative (IMIC), which carried an initial membership requirement of 3 years. Since its inception, the group has grown as other municipalities attempt to identify means of controlling the cost for these necessary coverages. Each of the members contributing to a loss fund spreads the liability across a larger number of communities and limits the liability of each member retaining only a portion of the total claims to be paid out from IMIC assets (self-insured retention). To date, claims have mainly been paid from the self-insured retention; some, including the Village's tornado experience, exceeded \$50,000 and utilized the first layer of excess liability coverage (insurance purchased to cover claims exceeding \$50,000 up to \$2 million). To date, IMIC has not been required to utilize its excess coverage over \$2 million. The coverage is provided so that any occurrence counts as one occurrence across the entire

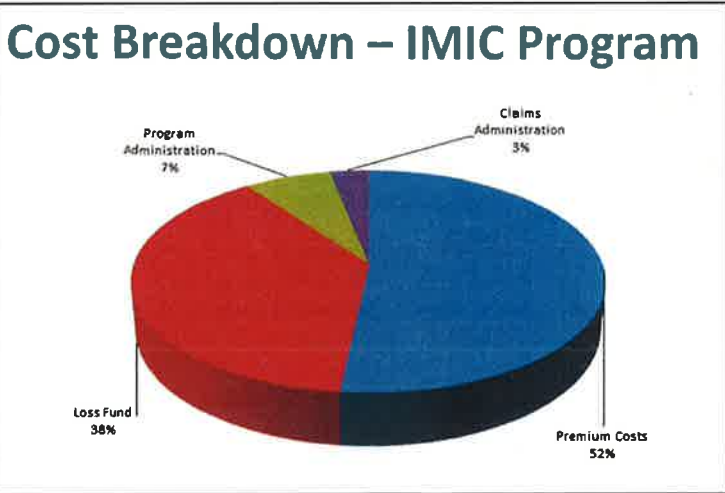


group; i.e. if a tornado hits in Coal City and Braidwood (also an IMIC member), there is only one deductible to be paid and the claim accelerates through the excess coverage layers as one total number. This means all of the municipalities do not need to fear one weather event hitting in multiple locations – this will count as one occurrence and only take a maximum of \$50,000 from the loss fund.

Coal City’s renewal is a 32% decrease from the expiring renewal for liability and workers compensation insurance coverages. This year’s renewals are listed below. The specific coverages for each of the policies are provided for your review. Gallagher has provided fully bounded insurance renewal documentation, however, summaries have been provided. Workers Compensation coverage will continue to be carried by IPRF. IMIC is reviewing on an annual basis whether the collective group would benefit from purchasing this coverage as well. IPRF’s coverage beat the cost of forming a self-insured coverage. Due to the interest of some of the municipalities, cyber liability coverage was sought. This is a new coverage for the Village and guards all information printed and digital from hackers and their utilization of the data.

<i>Coverage</i>	<i>Expiring Premium</i>	<i>Next Year's Premium</i>
Workers Compensation	\$225,065	\$106,270
Liability	120,198	129,680
Cyber Liability		<u>3,198</u>
	<u>\$345,263</u>	\$239,148

Due to the Village’s membership within IMIC, the cooperative has agreed upon the rates set for each of its member municipalities. The 85% loss fund premium charge has provided ample



funding for the first two years of experience for the group. This is one of the key factors that are reviewed during the quarterly meetings. Having the expertise of the consultant and funding a self-insured retention result in assets for the collective group. The red portion of the pie chart is the portion that is contributed to the loss fund and is retained for future experience if unutilized; this is 38% of the liability insurance renewal charge. To date, IMIC has accumulated assets just under \$700,000 as unused premiums and

incurred, but not reported holdings. These assets are held as claims are settled. As time passes, the incurred, but not reported holdings is drawn down and added to the loss fund assets.

Each community must sign onto its premium to carry coverage for 2016.

Recommendation:
 Renew the Workers’ Compensation Coverage with IPRF and IMIC liability coverages, including cyber liability coverage as outlined for 2016 totaling \$239,148.

Village of Coal City

Program Details

Coverage: Workers Comp
Carrier: Illinois Public Risk Fund
Policy Period: 1/1/2015 to 1/1/2016

DESCRIPTION	LIMIT
Specific Limit	Statutory
Bodily Injury by Accident	\$3,000,000
Bodily Injury by Disease	\$3,000,000 / Policy Holder
Bodily Injury by Disease	\$3,000,000 / Each Employee

Additional Coverage:

DESCRIPTION	LIMIT
Workers Compensation and Employers Liability	
Estimated Remuneration	\$1,862,853

States:

DESCRIPTION	STATE
States Covered:	Illinois
States Excluded:	OH, ND, WA, WY

Endorsements include, but are not limited to:

DESCRIPTION
Voluntary Compensation
Broad Form All States for Employee Travel
Longshoremen's and Harborworkers Compensation Act Coverage
Maritime Coverage
Federal Employers Liability Act Coverage
Foreign Voluntary Workers Compensation and Employers Liability for Traveling Employees

Exclusions include, but are not limited to:

DESCRIPTION
Bodily Injury to an Employee While Employed in Violation of Law
Bodily Injury Intentionally Caused by Insured
Assumptions under Contract
Stop Gap Employers Liability

Village of Coal City

Program Details (Cont.)

Premium	\$106,270.00
<hr/>	
ESTIMATED PROGRAM COST	\$106,270.00
3% Administration Fee is Included Above	\$3,095.00
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	INCLUDED
Minimum Earned Premium - In the event that the Policy is cancelled prior to the expiration date, then the total annual premium will be 100% fully earned	100.00 %
IPRF Grant	\$15,217.00

Subject to Audit: Annually

Illinois Municipal Insurance Cooperative

Premiums/Fees Comparison: Expiring to Recommended Carriers

Village of Coal City

Description	2014-2015 Premium	2015-2016	
		Initial Contribution 85% Funding	Maximum Costs
Property, General Liability, Police Professional Liability, Public Officials Liability, Employment Practices Liability, Automobile, Crime	\$36,558	\$44,380	\$44,380
Loss Fund	55,250	55,250	65,000
Excess Property	4,750	4,726	4,726
Boiler & Machinery	807	663	663
Excess Liability	7,721	7,733	7,733
Liquor Liability	585	Included	Included
Claims Administration	4,249	4,249	4,249
Loss Control		714	714
Brokerage Fee	10,000	10,000	10,000
SLT and Fees	278	1,964	1,964
Total Premium	\$120,198	\$129,680	\$139,430

Exposure Summary

Description	2014-2015	2015-2016
Total Insurable Values	\$17,923,877	\$18,389,365
Population	5,587	5,587
Gross Operating Expenditures	\$10,141,284	\$12,533,122
Police (Including Jail Personnel)	14	11
Armed	13	10
Vehicles	26	29
Payroll	\$1,809,793	\$1,790,225

Illinois Municipal Insurance Cooperative

Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE	EXPIRING PROGRAM		PROPOSED PROGRAM (1)	
	CARRIER	EXPIRING COST	CARRIER	ESTIMATED COST
Package	Great American Insurance Company	\$658,551.00 N/A N/A \$623,611.00 \$1,282,162.00	Lloyd's Syndicate 2987	\$710,000.00 \$25,415.00 \$1,420.00 620,500.00 \$1,357,335.00
Excess Liability	Lexington Insurance Company (American International Group, Inc)	\$157,791.00 \$5,145.00 \$147.00 \$163,083.00	Lexington Insurance Company (American International Group, Inc)	\$155,804.00 \$5,399.00 \$309.00 \$161,512.00
Excess Property	Hartford Fire Insurance Company (Hartford Financial Services Group)	\$97,382.00 \$97,382.00	Hartford Fire Insurance Company (Hartford Financial Services Group)	\$102,949.00 \$102,949.00
Equipment Breakdown	Zurich American Insurance Company	\$14,809.00 \$14,809.00	Hartford Steam Boiler Inspection & Insurance Co. (Hartford Steam Boiler Group)	\$14,309.00 \$14,309.00
Arthur J. Gallagher Risk Management Services, Inc. - Broker Fee		\$131,000.00		\$131,000.00
Total Estimated Program Cost		\$1,688,436.00		\$1,767,105.00

Quote From Lexington Insurance Company (American International Group, Inc) is valid until 12/31/2014
Quote From Hartford Fire Insurance Company (Hartford Financial Services Group) is valid until 11/27/2015

Quote From Hartford Steam Boiler Inspection & Insurance Co. (Hartford Steam Boiler Group) is valid until 11/28/2015
Quote From Lloyd's Syndicate 2987 is valid until 11/15/2015

Gallagher is responsible for the placement of the following lines of coverage:

Package
Excess Liability
Excess Property
Equipment Breakdown

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

(1) At 85% contribution Level - Per Expiring

Illinois Municipal Insurance Cooperative

Program Details

Coverage: Package
 Carrier: Lloyd's Syndicate 2887
 Policy Period: 12/31/2015 to 12/31/2016

COVERAGE	FORM TYPE	RETROACTIVE DATE
General Liability	Occurrence	Not Applicable
Sexual Harassment Liability	Claims Made	Not Applicable
Sexual Abuse Liability	Claims Made	Not Applicable
Privacy Liability	Claims Made	12/31/2013
Security Liability	Claims Made	12/31/2013
City of Mendota, City of Ogesesby, City of Wilmington, Village of Manteno & Village of Oswego	Claims Made	12/31/2010
Village of Beecher & Village of Peotone	Claims Made	12/31/2011
City of Sandwich & Village of Dwight	Claims Made	12/31/2012
City of Braidwood, City of Marselles, City of Plano, Village of Bradley & Village of Coal City	Claims Made	12/31/2013
City of Plano	Claims Made	12/31/2014

Illinois Municipal Insurance Cooperative

Program Details (Cont.)

DESCRIPTION	LIMIT
Data Processing Systems Equipment	\$950,000
Data Processing Media	\$950,000
Valuable Papers	\$950,000
Fine Arts	\$950,000
Accounts Receivable	\$950,000
Extra Expense	\$950,000
Mobile Equipment	\$950,000
Garagekeepers Legal Liability	\$950,000
Transit	\$950,000
Business Income, including Rental Value	\$950,000
Business Income, other than Rental Value	\$950,000
Rental Value	\$950,000
Newly Acquired Property Reporting Limit, as provided in Section I Conditions, Automatic Acquisition Clause	\$1,000,000
- Coverage Section II General Liability - Excess Limit of Insurance for Each Occurrence:	
All Coverages under Section II combined:	\$1,950,000
- Annual Aggregate	\$1,950,000
Subject to the following sublimit:	
Sexual Harassment Liability:	
- Annual Aggregate	\$1,950,000
Sexual Abuse Liability:	
- Annual Aggregate	\$1,950,000
- Coverage Section III Automobile Liability - Excess Limit of Insurance for Each Occurrence:	
All Coverages under Section III combined	\$1,950,000
Subject to the following sublimits:	
Automobile Medical Payments:	
	\$10,000
	\$50,000
Uninsured Motorists / Underinsured Motorists	\$1,950,000
- Coverage Section IV Public Officials Miscellaneous Liability - Excess Limit of Insurance for Each Claim:	
All Coverages under Section IV combined:	\$1,950,000
- Annual Aggregate	\$1,950,000
Subject to the following sublimits/annual aggregates which are part of and not in addition to the combined Section IV limit and annual aggregate:	
Errors & Omissions:	\$1,950,000
- Annual Aggregate	\$1,950,000
Employment Practice Liability:	\$1,950,000
- Annual Aggregate	\$1,950,000

Illinois Municipal Insurance Cooperative

Program Details (Cont.)

DESCRIPTION	LIMIT
Sexual Harassment Liability:	\$1,950,000
- Annual Aggregate	\$1,950,000
Sexual Abuse Liability:	\$1,950,000
- Annual Aggregate	\$1,950,000
- Coverage Section VI Employee Benefits Liability - Excess Limit of Insurance for Each Claim:	
- All Coverages under Section VI combined:	\$1,950,000
- Annual Aggregate	\$1,950,000
- Coverage Section VII Crime - Excess Limit of Insurance for Each Occurrence:	
(1) Money & Securities	\$500,000
(2) Forgery or Alteration	\$500,000
(3) Employee Dishonesty	\$500,000
- Coverage Section VIII Law Enforcement Activities - Excess Limit of Insurance for Each Occurrence:	
All Coverages under Section VIII combined:	\$1,950,000
- Annual Aggregate	\$1,950,000
Subject to the following sublimit:	
Sexual Harassment Liability:	\$1,950,000
- Annual Aggregate	\$1,950,000
Sexual Abuse Liability:	\$1,950,000
- Annual Aggregate	\$1,950,000
Reimbursement of Defense Costs Incurred Prior to Denial or Declination of Coverage:	
- ground up any one ASSURED	\$25,000
- Aggregate per OCCURRENCE	\$50,000
- Annual Aggregate	\$100,000

Deductibles/SIR:

TYPE	COVERAGE	AMOUNT
SIR	Coverage Section I Property - Automobile Physical Damage:	\$50,000
Deductible	- Self-Insured Retention	\$50,000
SIR	- Maintenance Deductible	\$1,000
Deductible	Flood and Surface Water:	
SIR	- Self-Insured Retention	\$50,000
Deductible	- Maintenance Deductible	\$1,000
Deductible	Earthquake:	
SIR	- Self-Insured Retention	\$50,000
Deductible	- Maintenance Deductible	\$1,000

Illinois Municipal Insurance Cooperative

Program Details (Cont.)

TYPE	COVERAGE	AMOUNT
Deductible	Named Windstorm:	
SIR	- Self-Insured Retention	\$50,000
Deductible	- Maintenance Deductible	\$1,000
SIR	Coverage Section II General Liability:	\$50,000
SIR	- Sexual Harassment Liability	\$50,000
SIR	- Sexual Abuse Liability	\$50,000
Deductible	Coverage Section I Property - Maintenance Deductible	\$1,000
SIR	Coverage Section III Automobile Liability:	\$50,000
SIR	Coverage Section IV Public Officials Misc. Liability unless listed below:	\$50,000
SIR	- Errors & Omissions	\$50,000
SIR	- Employment Practice Liability	\$50,000
SIR	- Sexual Harassment Liability	\$50,000
SIR	- Sexual Abuse Liability	\$50,000
SIR	Coverage Section VI Employee Benefits Liability:	\$50,000
SIR	Coverage Section VII Crime:	
SIR	(1) Money & Securities:	
SIR	- Self-Insured Retention	\$50,000
Deductible	- Maintenance Deductible	\$1,000
Deductible	(2) Forgery or Alteration:	
SIR	- Self-Insured Retention	\$50,000
Deductible	- Maintenance Deductible	\$1,000
Deductible	(3) Employee Dishonesty:	
SIR	- Self-Insured Retention	\$50,000
Deductible	- Maintenance Deductible	\$1,000
SIR	Coverage Section VIII Law Enforcement Activities:	\$50,000
SIR	- Sexual Harassment Liability	\$50,000
SIR	- Sexual Abuse Liability	\$50,000
SIR	Loss Fund - in the Aggregate Annually	\$730,000



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

October 27, 2015

Village of Coal City
515 S Broadway
Coal City, IL 60416

Re: Cyber Liability
Effective Dates: TBD

We would like to outline the following notable points for your consideration:

- Any entity not named above, may not be an insured entity. This may include partnerships and joint ventures.
- The insurance carrier is BCS Insurance Company.
- The premium is \$3,198
- The premium is subject to 30% minimum earned premium.
- Defense costs are limited and included within the policy limits.
- Significant policy exclusions include but are not limited to the following: See Attached Quote
- The policy is claims-made and contains the following restrictions and claims reporting requirements:
 1. Retroactive Date: Full Prior Acts
 2. Definition of claim: Refer to attached quotation
 3. Incident or Claim Reporting Provision: Refer to attached quotation
 4. Extended Reporting Period Option Details:
 - ERP Premium Amount: Refer to attached quotation
 - ERP Premium Due Date: Refer to attached quotation
 - ERP Length: Refer to attached quotation
 - If client request to purchase ERP is required to be in writing to the carrier.
 - Significant Restrictions to the ERP availability: Refer to attached quotation
- Immediately report all claims to:

Clyde & Co. US LLP
101 Second Street, 24th Floor
San Francisco, CA 94105
joan.dambrosio@clydeco.us
24 Hour Security Breach Hotline: 855-217-5204
- Gallagher is responsible for the placement of the following lines of coverage:

Package, Excess Property, Excess Liability, Boiler & Machinery, Workers Compensation, Cyber Liability

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

To bind this policy, please refer to the "Client Authorization to Bind Coverage" page attached.

1. Note any changes you desire to be made.
2. Date and sign.
3. Return prior to the effective date of coverage.

We appreciate your business and look forward to working with you in the coming year. Please contact me if you have any questions.

Sincerely,

Lisa Miller
Client Service Supervisor



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERSSM



BCS Insurance Company

Powered by LLOYDS



BCS Insurance Company
2 Mid America Plaza, Suite 200
Oakbrook Terrace, IL 60181

Frequently Asked Questions

Do you have any questions about your insurance? The frequently asked questions below are here to help you make an informed decision.

What is Cyber Liability Insurance?

"Cyber" Liability is insurance coverage specifically designed to protect a business or organization from:

- Liability claims involving the unauthorized release of information for which the organization has a legal obligation to keep private
- Liability claims alleging invasion of privacy and/or copyright/trademark violations in a digital, online or social media environment
- Liability claims alleging failures of computer security that result in deletion/alteration of data, transmission of malicious code, denial of service, etc.
- Defense costs in State or Federal regulatory proceedings that involve violations of privacy law; and
- The provision of expert resources and monetary reimbursement to the insured for the out-of-pocket (1st Party) expenses associated with the appropriate handling of the types of incidents listed above

The term "Cyber" implies coverage only for incidents that involve electronic hacking or online activities, when in fact this product is much broader, covering private data and communications in many different formats – paper, digital or otherwise.

What does Privacy Liability cover?

The Privacy Liability insuring agreement in our policy goes beyond providing liability protection for the insured against the unauthorized release of Personally Identifiable Information (PII), Protected Health Information (PHI), and corporate confidential information like most popular "Data Breach" policies. Rather, our policy provides true "privacy" protection in that the definition of **Privacy Breach** includes violations of any rights to privacy (e.g., a person's right of publicity or disclosure of private information). Because information lost in every data breach may not fit State or Federal-specific definitions of PII or PHI, our policy helps to fill these potentially costly gaps. This is a key provision that truly sets the BCS Cyber and Privacy Liability Policy apart from others.

What does Privacy Regulatory Claims Coverage cover?

The Privacy Regulatory Claims Coverage insuring agreement provides coverage for both legal defense and the resulting fines/penalties emanating from a **regulatory claim** made against the insured, alleging a privacy breach or a violation of a Federal, State, local or foreign statute or regulation with respect to privacy regulations.

Cyber Insurance Quotation





BCS Insurance Company
2 Mid America Plaza, Suite 200
Oakbrook Terrace, IL 60181



BCS Insurance Company
2 Mid America Plaza, Suite 200
Oakbrook Terrace, IL 60181

What does Security Breach Response Coverage cover?

This 1st Party coverage reimburses an Insured for costs incurred in the event of a security breach of personal, non-public information of their customers or employees. Examples include:

- The hiring of a public relations consultant to help avert or mitigate damage to the Insured's brand
- IT forensics, customer notification and 1st Party legal expenses to determine the Insured's obligations under applicable Privacy Regulations
- Credit monitoring expenses for affected customers

Our policy can extend coverage even in instances where there is no legal duty to notify if the Insured feels that doing so will mitigate potential brand damage (such voluntary notification requires prior written consent).

What does Security Liability cover?

The Security Liability insuring agreement provides coverage for the Insured for allegations of a "Security Wrongful Act", including:

- The inability of a third-party, who is authorized to do so, to gain access to the Insured's computer systems
- The failure to prevent unauthorized access to or use of a computer system, and/or the failure to prevent false communications such as "phishing" that results in corruption, deletion of or damage to electronic data, theft of data and denial of service attacks against websites or computer systems of a third party
- Protects against liability associated with the Insured's failure to prevent transmission of malicious code from their computer system to a third party's computer system

What does Multimedia Liability cover?

The Multimedia Liability insuring agreement provides coverage against allegations that include:

- Defamation, libel, slander, emotional distress, invasion of the right to privacy, copyright and other forms of intellectual property infringement (patent excluded) in the course of the Insured's communication of media content in electronic (website, social media, etc.) or non-electronic forms

Other "Cyber" insurance policies often limit this coverage to content posted to the Insured's website. Our policy extends what types of media are covered as well as the formats where this information resides.

What does Cyber Extortion cover?

The Cyber Extortion insuring agreement provides:

- Expense and payments to a harmful third party to avert potential damage threatened against the Insured such as the introduction of malicious code, system interruption, data corruption or destruction or dissemination of personal or confidential corporate information.

What does Business Income and Digital Asset Restoration cover?

The Business Income and Digital Asset Restoration insuring agreement provides for lost earnings and expenses incurred because of a security compromise that leads to the failure or disruption of a computer system, or, an authorized third-party's inability to access a computer system. Restoration costs to restore or recreate digital (not hardware) assets to their pre-loss state are provided for as well. What's more, the definition of **Computer System** is broadened to include not only systems under the Insured's direct control, but also systems under the control of a **Service Provider** with whom the Insured contracts to hold or process their digital assets.

What is "PCI-DSS Assessment" coverage?

The Payment Card Industry Data Security Standard (PCI-DSS) was established in 2006 through a collaboration of the major credit card brands as a means of bringing standardized security best practices for the secure processing of credit card transactions. Merchants and service providers must adhere to certain goals and requirements in order to be "PCI Compliant" and under specific agreements, may subject an Insured to an "assessment" for breach of such terms. The BCS Cyber and Privacy Liability Policy responds to PCI assessments as well as claims expenses in the wake of a breach involving cardholder information.

How is this policy better than other options in the marketplace?

As with any insurance policy, what sets our coverage apart lies in the definitions and exclusions in the policy. The BCS Cyber and Privacy Liability Policy offers comprehensive critical terms such as **Privacy Breach**, **Computer System**, and **Media Content**. These definitions, along with the absence of some industry-standard exclusions and a drastically streamlined application process, make this policy more comprehensive and easier to access than the typical cyber policy available from traditional sources.

Isn't this already covered under most business insurance plans?

The short answer is "No." While liability coverage for data breach and privacy claims has been found in limited instances through General Liability, Commercial Crime and some D&O policies, these forms were not intended to respond to the modern threats posed in today's 24/7 information environment. Where coverage has been afforded in the past, carriers (and the ISO) are taking great measures to include exclusionary language in form updates that make clear their intentions of **not covering these threats**. Additionally, even if coverage can be found in rare instances through other policies, they lack the expert resources and critical 1st Party coverages that help mitigate the financial, operational and reputational damages a data breach can inflict on an organization.

Are businesses required to carry this coverage?

While there is presently no law that requires a business or organization to carry Cyber Liability, there is a national trend in business contracts for proof of this coverage. In addition, the SEC is encouraging disclosure of this coverage as a way of demonstrating sound information security risk management. Laws such as HIPAA-HITECH and Gramm-Leach-Bliley and state-specific data breach laws are continually driving demand as requirements for notification in the wake of a data breach become more expensive.



BCS Insurance Company

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2 Mid America Plaza, Suite 200
Oakbrook Terrace, IL 60181



BCS Insurance Company

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Oakbrook Terrace, IL 60181

Do small businesses need this coverage?

The Symantec 2014 Internet Security Threat Report reports that small businesses accounted for 30% of targeted spear-phishing attacks in 2013. In 2012, Verizon reported that approximately 40% of all data breaches that year occurred among companies with fewer than 100 employees. Even more alarming is the fact that 60% of companies that have been a victim of cyber-attacks are out of business within six months. While breaches involving public corporations and government entities garner the vast majority of headlines, it is the small business that can be most at risk. With lower information security budgets, limited personnel and greater system vulnerabilities, small businesses are increasingly at risk for a data breach.

If e-commerce functions such as payment processing or data storage are outsourced, is this coverage still needed?

The responsibility to notify customers of a data breach or legal liabilities associated with protecting customer data, remain the responsibility of the insured. Generally speaking, business relationships exist between insureds and their customers, not their customers and the back-office vendors the insured uses to assist them in their operations. Outsourcing business critical functions such as payment processing, data storage, website hosting, etc. can help insulate insureds from risk, however, the contractual agreement wording between insureds, their customers and the vendors with whom they do business will govern the extent to which liability is assigned in specific incidents.

What is the cost of not buying the coverage and self-insuring a data breach?

The Ponemon Institute, a well-known research firm, publishes an annual "Cost of a Data Breach" report. In partnership with IBM, the 2014 report indicated that the average cost paid for each lost or stolen record is \$201. These numbers are reflective of both the indirect expenses associated with a breach (time, effort and other organizational resources spent during the data breach resolution, customer churn, etc.), as well as direct expenses (customer notification, credit monitoring, forensics, hiring a law firm, etc.). Because every breach is different, and the per-capita cost of a breach depends largely on the number of records compromised, it is helpful for small to mid-sized organizations to start with a lower number of \$65/record, (the **average direct costs** associated with a breach in the Ponemon study) – multiply this number by the estimated number of records containing PII, PHI or financial account information in the insured's control. By engaging in this simple exercise, businesses quickly understand the financial value of implementing cyber insurance as a risk transfer vehicle. More information can be found at www.ponemon.org.

Who is the insurance carrier?

The BCS Cyber and Privacy Liability Policy is underwritten by BCS Insurance Company and powered by and with the backing of certain syndicates at Lloyd's of London. BCS Insurance Company is a licensed insurance company in all states, Puerto Rico and the District of Columbia. BCS Insurance Company provides value through a solid foundation of strong governance, national and international capabilities and product and industry expertise and is rated A- (Excellent) by A.M. Best. BCS Insurance has been in business for over 80 years. It is a wholly owned subsidiary of BCS Financial Corporation which, in turn, is owned by all Blue Cross Blue Shield primary licensees. BCS Insurance Company's relationship with certain syndicates at Lloyd's of

London brings additional strength, stability and industry-leading expertise to the A.J.G cyber insurance program.

What is the claims-handling process?

A 24-hour data breach hotline is available to report incidents or even suspected incidents. As soon as you suspect a data breach incident or receive notice of a claim, you should call the hotline listed in your policy. This hotline is manned by Baker Hostetler, a world-wide leading privacy law firm with experience in handling thousands of data breach events. Immediately after calling the hotline, you are required to send notice to Clyde & Co., the designated legal firm that has been contracted to triage initial notices in this regard. This can be done by sending an email with a brief description of the incident, including your contact information, to the claims-reporting email address listed in your policy. Your agent, as well as the in-house BCS claims team, will receive notification of the incident (or any third-party claim) as well. It is critical that you immediately report any and all incidents that you believe could give rise to a claim of any kind under this policy.

What if there are questions that are not answered here?

Please contact your preferred A.J.G Cyber Professional who will assist you with any questions you may have.

(A stock insurance company, herein the "Company")

Policy No. RPS-Q-50023981/1

Cyber and Privacy Liability Insurance Policy

94.111 (01/15)

NOTICE: THE POLICY CONTAINS ONE OR MORE COVERAGES. CERTAIN COVERAGES ARE LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND NOTIFIED TO US DURING THE POLICY PERIOD AS REQUIRED. CLAIM EXPENSES SHALL REDUCE THE APPLICABLE LIMITS OF LIABILITY AND ARE SUBJECT TO THE APPLICABLE RETENTION (S). PLEASE READ THIS POLICY CAREFULLY.

POLICY DECLARATIONS

ITEM 1.	NAMED INSURED	Village of Coal City
	ADDRESS	515 S Broadway, Coal City, Illinois, 60416
ITEM 2.	POLICY PERIOD	FROM: October 15, 2015 TO: October 15, 2016 (12:01 A.M. Standard time at the address shown in Item 1.)
ITEM 3.	POLICY LIMITS OF LIABILITY AND COVERAGES PURCHASED	A. Aggregate Limit of Liability: \$1,000,000 (Aggregate for Each and Every Claim including Claims Expenses) B. Sublimit of Liability for Individual Coverage(s) Purchased: \$1,000,000 "Nil" or "N/A" Sublimit of Liability for any coverage indicates that the coverage was not purchased

COVERAGE	PER CLAIM SUBLIMIT OF LIABILITY INCLUDES CLAIM EXPENSES	AGGREGATE SUBLIMIT OF LIABILITY
A. Privacy Liability (including Employee Privacy)	\$1,000,000	\$1,000,000
B. Privacy Regulatory Claims Coverage	\$1,000,000	\$1,000,000
C. Security Breach Response Coverage	\$1,000,000	\$1,000,000
D. Security Liability	\$1,000,000	\$1,000,000
E. Multimedia Liability	\$1,000,000	\$1,000,000
F. Cyber Extortion	\$1,000,000	\$1,000,000
G. Business Income and Digital Asset Restoration	\$1,000,000	\$1,000,000
H. PCI DSS Assessment	\$100,000	\$100,000

ITEM 4. RETENTION (including Claims Expenses):

COVERAGE	EACH CLAIM
A. Privacy Liability (including Employee Privacy)	\$2,500
B. Privacy Regulatory Claims Coverage	\$2,500
C. Security Breach Response Coverage	\$2,500
D. Security Liability	\$2,500
E. Multimedia Liability	\$2,500
F. Cyber Extortion	\$2,500
G. Business Income and Digital Asset Restoration	\$2,500 / 12 hrs waiting period
H. PCI DSS Assessment	\$2,500

ITEM 5. PREMIUM \$3,198 TRIA PREMIUM: \$32 (IF ELECTED)

ITEM 6. TERRITORIAL LIMITS Worldwide

ITEM 7. RETROACTIVE DATE Full Prior Acts

ITEM 8. NOTICE OF CLAIM
Clyde & Co. US LLP
101 Second Street, 24th Floor
San Francisco CA 94105
USA
joan.dambrosio@clydeco.us
24 Hour Security Breach Hotline: 1-855-217-5204

ITEM 9. NOTICE OF ELECTION
RPS Executive Lines
550 W. Van Buren
Suite 1200
Chicago, IL 60607
USA

ITEM 10. SERVICE OF SUIT
Risk Situated in California:
Eileen Ridley
FLWA Service Corp.
c/o Foley & Lardner LLP
555 California Street, Suite 1700, San Francisco, CA 94104-1520

Risks Situated in All Other States:
Mendes & Mount
750 Seventh Avenue, New York, NY 10019

ITEM 11. CHOICE OF LAW New York

MEMO

TO: Mayor Halliday and the Board of Trustees

FROM: Matthew T. Fritz
Village Administrator

MEETING

DATE: December 14, 2015

RE: LETTER OF ENGAGEMENT FOR CHIEF STRATEGIES

The Village of Coal City has many concerns directly linked to its State and federal representation. Chief among the current concerns is the long-term financial impact of the tornado and the means of supporting its long-term impact on the community; e.g. replacement of infrastructure including roads and sidewalks. Chris Brown of Chief Strategies has provided a Letter of Engagement for the Village to support it in receiving adequate representation with Springfield and Washington DC.

Chris Brown is very familiar with local and regional issues that affect the Village of Coal City and has been provided goals for infrastructure and economic development improvements that would help the community. These items, which were summarized within a letter to the DCEO shall guide him as to possible projects for which the other levels government may assist since no funding has been provided to date in the wake of the June tornado.

His fee of \$2,250 per month shall total \$11,250 for the current fiscal year. Currently, the administrative budget carries \$24,800 in professional fees set aside for projects to be utilized for this expense. Mr. Brown intends on keeping the Board apprised of his continual efforts with a monthly update and shall be in attendance on Monday evening to answer any questions.

Recommendation:

Utilize the services of Chief Strategies, LLC through May 31, 2016 according to the terms set forth in the engagement letter of October 19, 2015.



2537 Creekside Lane, Morris, IL 60450

October 19, 2015

Mr. Terry Halliday
President
Village of Coal City
515 S. Broadway St.
Coal City, IL 60416

Re: Proposal for Governmental Affairs Services

Dear President Halliday:

Thank you for the potential opportunity for Chief Strategies, LLC to represent the Village of Coal City (Village) before the Executive, Legislative and Judicial branches of Illinois for the purposes of governmental affairs.

Scope of Services

Chief Strategies, LLC will provide governmental affairs and related services as directed and agreed upon, strictly for the Village:

- Identify, analyze and monitor legislation that impacts the Village and their interests.
- Create a strategy for legislative priorities based on outlined objectives.
- Work with the Village and related stakeholders to promote the Village and its objectives.
- Coordinate, develop and execute legislative and communication activities with the Executive, Legislative and Judicial branches of Illinois government.
- Provide timely communication and written updates when applicable.

This Agreement shall be interpreted, construed and governed according to the laws of the State of Illinois. Any action at law, suit in equity or other judicial proceeding for the enforcement or breach of this Agreement or any provision thereof shall be instituted and conducted in State of Illinois.

It is understood and agreed to by Chief Strategies, LLC that the Village of Coal City, Illinois may require addendums to this agreement, or may require a different contract format. Chief Strategies, LLC will consider such actions based on both parties agreement.

Terms of the Agreement

The term of this agreement shall begin on January 1, 2016 and terminate May 31, 2016.

Fees and Expenses

A monthly fee of **Two Thousand Two hundred Fifty dollars (\$2,250.00)**, including any reimbursable items such as travel, meals or lodging as necessary (upon approval), payable by the 15th of each month of the agreement. This agreement may be terminated by either party with **30 days** written notice. If a 30 day notice is issued, the Village will be responsible for payment of one month's fee (30 days from the date of notice given) of \$2,250.00.

Thank you for the opportunity to be able to serve the Village of Coal City. As always, please do not hesitate to contact me if you have any other questions.

Yours Sincerely,



Christopher D. Brown

President

Chief Strategies, LLC

815-405-7708 Cell

cbrown@chiefstrategies.com

MEMO

TO: Mayor Halliday and the Board of Trustees

FROM: Matthew T. Fritz
Village Administrator

MEETING

DATE: December 14, 2015

RE: FUND BALANCE RESERVE REQUIREMENT

The Village Board had expressed its desire for a formal fund balance reserve policy after the receiving the funds from the Tornado Project Bond Sale. Shortly after the sale of bonds, the reserve policy was to be enacted establishing a formal goal for what shall remain in the General Fund at the end of the fiscal year rather the Village's current informal goal of maintaining 3-6 months of general fund revenues. The sale of the bonds have not taken place as of yet, but the attached Resolution sets forth the goal of maintaining at least \$1.2 million at the end of each fiscal year. Another concept discussed at Finance Committee was maintaining 3 months of revenue plus the first two annual payments for the Alternate Bond debt payments; setting the minimum number is a more conservative approach providing more than the proceeds to be required by the anticipated debt repayment schedule.

The bonds have been going through their necessary posting and grading for the markets. The federal borrowing rates discussion has caused a crush on the companies such as Standard & Poor's (the rating agency) and Assured Guaranty (the re-insurer), which has caused a delay in going to market to sell the bonds. The Village's bonds were recently posted and are due to proceed with pricing on December 17th and close on December 29th. The rating from Standard & Poor's took into account the fiscal condition of the State of Illinois and the Village's downturn in EAV due to the tornado. Although the agency provided an A+ rating, they also provided a positive outlook for returning EAV after the tornado-affected properties are rebuilt.

If the Board desires to adopt the Fund Reserve Resolution, it can be done at this time. Otherwise, the Board can adopt this Resolution after the proceeds of the Bond Sale are received.

THE VILLAGE OF COAL CITY

GRUNDY & WILL COUNTIES, ILLINOIS

RESOLUTION
NUMBER _____

**A RESOLUTION TO ADOPT A POLICY ESTABLISHING AND MAINTAINING A
MINIMUM FUND BALANCE WITHIN THE GENERAL FUND**

TERRY HALLIDAY, Village President
PAMELA M. NOFFSINGER, Village Clerk

ROSS BRADLEY
TIMOTHY BRADLEY
DANIEL GREGGAIN
NEAL NELSON
DAVID TOGLIATTI
JUSTIN WREN
Village Trustees

RESOLUTION NO. _____

**A RESOLUTION TO ADOPT A POLICY ESTABLISHING AND MAINTAINING A
MINIMUM FUND BALANCE WITHIN THE GENERAL FUND**

WHEREAS, the Village of Coal City, Grundy and Will Counties, Illinois (the "Village"), is a non-home rule municipal corporation and body politic of the State of Illinois, duly created, organized and existing under the Constitution of the State of Illinois, the Illinois Municipal Code and other laws of the State of Illinois, as amended from time to time, and having the powers, objects and purposes provided thereby; and

WHEREAS, the Village suffered extensive damage as a result of an EF-3 tornado and related severe weather striking the community on June 22, 2015 (the "Storm"); and

WHEREAS, the State of Illinois has in the past suspended payment of some or all of Local Distributive Funds collected and distributed by the State of Illinois exacerbating difficulties concerning the fund balance of unrestricted funds maintained by the Village; and

WHEREAS, the President (the "President") and Board of Trustees of the Village (collectively, the "Corporate Authorities") hereby find and determine that unanticipated Storm related expenses placed a large unexpected financial burden on the Village;

WHEREAS, the Corporate Authorities have determined that it is in the public interest to establish a minimum fund balance policy applicable to the Corporate General Fund to preserve financial stability in the event of major unexpected expenses, a significant reduction in State revenue distributions, or other unforeseen revenue fluctuations.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Coal City, Grundy and Will Counties, as follows:

SECTION 1. RECITALS. That the foregoing recitals shall be and are hereby incorporated into and made a part of this Resolution as if fully set forth in this Section 1.

SECTION 2. APPROVAL AND RATIFICATION.

A. It is the intent of the Corporate Authorities to maintain a minimum General Fund balance of not less than \$1,200,000 in unassigned funds available for any purpose (the “Intended Minimum Balance”) at the close of each fiscal year.

B. If the unassigned fund balance in the General Fund falls below the Intended Minimum Balance or if it is anticipated that at the completion of the fiscal year the projected unassigned fund balance in the General Fund will be less than the Intended Minimum Balance, the Village Board or an official designated by the Corporate Authorities shall prepare and submit a plan to restore the Intended Minimum Balance and a timeline for achieving the Intended Minimum Balance.

C. The Corporate Authorities hereby authorize and establish a policy that requires each annual budget ordinance setting forth the planned expenditures and revenues for the next fiscal year to include a section setting forth the anticipated General Fund Balance planned for the end of the upcoming fiscal year.

D. The Corporate Authorities hereby authorize and establish a policy that the minimum fund balance in the Corporate General Fund of \$1,200,000 as set forth in subparagraph (A) of this Section may only be reduced below the Intended Minimum Balance for emergency purposes, as deemed necessary by the Corporate Authorities.

E. Nothing herein shall be construed to prevent or interfere with the Villagesatisfying its Village debt service obligations relating to any outstanding lawful borrowing or as may be required to avoid default on any existing written contracts.

F. Future revision or amendment of the policy adopted herein, and any deviation from the terms of the policy, shall not require the repeal of this Resolution, nor require any separate or additional notice. Action taken by the Village Board in contravention of the policy enumerated herein shall not be unlawful, as the policy is aspirational in nature only.

SECTION 4. SAVING CLAUSE. If any section, paragraph, clause, or provision of this Resolution shall be held invalid, the invalidity thereof shall not affect any of the other provisions of this Resolution, which are hereby declared to be separable.

SECTION 5. EFFECTIVE DATE. This Resolution shall be in full force and effect immediately from and after the receipt of the proceeds enabled through the adoption of Ordinance 15-32 & Ordinance 15-33.

**A RESOLUTION TO ADOPT A POLICY ESTABLISHING AND MAINTAINING A MINIMUM
FUND BALANCE WITHIN THE GENERAL FUND**

SO RESOLVED this _____ day of _____, 2015, at Coal City,
Grundy and Will Counties, Illinois.

AYES:

ABSENT:

NAYS:

ABSTAIN:

VILLAGE OF COAL CITY

Terry Halliday, President

Attest:

Pamela M. Noffsinger, Clerk

MEMO

TO: Mayor Halliday and the Board of Trustees

FROM: Matthew T. Fritz
Village Administrator

MEETING

DATE: December 14, 2015

RE: AWARD BIDS FOR DEMOLITION OF UNSAFE STRUCTURES

The Village Board directed staff to prepare four properties for demolition: 810 Daisy, 1090 S. Broadway, 1096 S. Broadway, and 160 W. Walnut. Staff has completed the legal notifications to affected persons with interest in the properties, legal notices, and posting. During the notification period, the property owner of 810 Daisy completed demolition of the structures, and it has been removed from the demolition list.

Under the direction of engineering, asbestos testing has been completed on all structures. Bidders attended a mandatory pre-bid meeting and had the option to field inspect the properties following the meeting. Four companies attended the pre-bid meeting - Stott Contracting from Morris, IL; Bisping Construction, New Lenox, IL; J.K. Trotter Enterprises Inc., Coal City; and Warner Excavating, Peotone, IL. Bids were received from Stott Contracting and J.K. Trotter Enterprises, Inc. J.K. Trotter Enterprises is the apparent low bidder.

	<u>Demolition Bid Total</u>
J.K. Trotter Enterprises	\$52,500
Stott Contracting	133,527

The bid specifications require the removal and disposal of all structures, items within the structures, fencing, scrub trees, trash, concrete, foundations, and footings. In addition, the contractor is to install seed, fertilizer and erosion control.

In the motion to award, each property should be mentioned specifically. The motion should also include designating a person to issue a "Notice to Proceed" to the successful bidder after all contract documents have been successfully submitted.

Recommendation:

Award bids for the demolition of 1090 S Broadway, 1095 S. Broadway, and 160 W. Walnut. Designate the Village Engineer to issue "Notices to Proceed" following successful submission of all required documents to start demolition.

MEMO

TO: Mayor Halliday and the Board of Trustees

FROM: Matthew T. Fritz
Village Administrator

MEETING

DATE: December 14, 2015

RE: CHANGES TO THE VILLAGE'S FLEX PLAN ADMINISTRATION

The Village of Coal City altered its Health Insurance Plan coverage to include a health reimbursement after employees surpass their deductible and 50% of the copayment (IL BC/BS 90% - Employee 10%) layer years ago prior to entering the Illinois Personnel Benefits Consortium in order to access health care coverage. Since the inception of this plan, the benefit is rarely used and shall carry a penalty under the new "Cadillac taxes" to be put into place under the Affordable Healthcare Act.

At this time, the health insurance can simply be right-sized to cut the copayment health insurance level in half without any cost to the premium (due to the benefit rarely ever being utilized). An additional alteration to the plan is employees will be able to receive a debit card to utilize their flex plan benefits rather than being required to submit for reimbursement after outlaying the initial payment. This will cut down on a lot of paperwork and create much greater efficiencies for the users of the program as well as incent others to join.

Coal City utilizes Benefit Planning Consultants (BPC) as its third party administrator to administer these benefits. Kristi analyzed switching vendors at the same time as these changes are being made, but the service shall become much more efficient and cost less staying with BPC. In short, the Village's employees will receive a more valuable benefit, it shall take much less time to administer without an increase in cost.

Right-sizing the plan will result in BPC not needing to track reimbursement for the health reimbursement benefit. The Flexplan benefit is an optional one that is supported 100% from employee contributions; not all employees participate.

Recommendation:

Authorize the Village Administer to engage in Flexplan administration with Benefit Planning Consultant following final legal review by the Village Attorney.

PROVIDER SERVICES AGREEMENT AND BUSINESS ASSOCIATE AGREEMENT

RECITALS

A. Village of Coal City ("Employer") has established certain employee benefit programs, including one or more of the following: a health flexible spending account ("FSA") under Code Section 105; a dependent care assistance program ("DCAP") under Code Section 129; a health reimbursement arrangement ("HRA") under Code Section 105; transportation fringe benefit plan ("Transportation Plan") under Code Section 132(f)(4); Health Savings Accounts ("HSA") under Code Section 223, COBRA administration and LifeLock Identity Theft Protection. The FSA and DCAP are each offered under Code Section 125 cafeteria plan.

B. Employer has requested Benefit Planning Consultants, Inc. ("PROVIDER") to act as its agent for the payment of certain benefits and to furnish certain administrative services for one or more of the FSA, DCAP, HRA, Transportation Plan, LifeLock and COBRA as described in this Agreement (collectively, the "Program").

In consideration of the mutual promises contained in this Agreement, Employer and PROVIDER agree as follows.

ARTICLE I. INTRODUCTION

1.1 Effective Date and Term. The effective date of this Agreement is January 1, 2016 ("Effective Date"). The initial term shall be the length of the initial plan year; thereafter, this Agreement will renew automatically for one (1) successive period of twelve (12) months unless this Agreement is terminated in accordance with the provisions of Section 7.8. Thereafter, Employer shall have the option to renew the Agreement for successive one (1) year periods by providing written notice to PROVIDER of electing such option not less than ten (10) days prior to the expiration of the then-current term.

1.2 Scope of Undertaking. Employer has sole and final authority to control and manage the operation of the Program. PROVIDER is and shall remain an independent contractor with respect to the services being performed hereunder and shall not for any purpose be deemed an employee of Employer. Nor shall PROVIDER and Employer be deemed partners, engaged in a joint venture or governed by any legal relationship other than that of independent contractor. PROVIDER does not assume any responsibility for the general policy design of the Program, the adequacy of its funding, or any act or omission or breach of duty by Employer. Nor is PROVIDER in any way to be deemed an insurer, underwriter or guarantor with respect to any benefits payable under the Program. PROVIDER generally provides reimbursement services only and does not assume any financial risk or obligation with respect to benefits offered or claims for benefits payable by Employer under the Program. Nothing herein shall be deemed to constitute PROVIDER as a party to the Program or to confer upon PROVIDER any authority or control respecting management of the Program, authority or responsibility in connection with administration of the Program, or responsibility for the terms or validity of the Program. Nothing in this Agreement shall be deemed to impose upon PROVIDER any obligation to any employee of Employer or any person who is participating in the program ("Participant").

1.3 Definitions.

"**Agreement**" means this Provider Services Agreement, including all Appendices hereto.

"**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**DCAP**" has the meaning given in the Recitals.

"**Electronic PHI**" has the meaning assigned to such term under HIPAA.

"**Eligibility Reports**" have the meaning described in Section 2.3.

"**Employer**" has the meaning given in the Recitals.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Effective Date**" has the meaning given in Section 1.1.

"**FSA**" has the meaning given in the Recitals.

dependents, directly or through insurance, reimbursement, or otherwise.

"**HIPAA**" means the Health Insurance Portability and Accountability Act of 1996, as amended.

"**HSA**" has the meaning given in the Recitals.

"**Named Fiduciary**" means the named fiduciary as defined in ERISA Section 402(a) (1).

"**Participant**" has the meaning given in Section 1.2.

"**PHI**" has the meaning assigned to "protected health information" in 45 CFR §160.03.

"**Plan**" means the FSA, DCAP, HRA, Transportation Plan, or Group Health Plan as applicable.

"**Plan Administrator**" means the administrator as defined in ERISA Section 3(16)(A).

"**Provider**" has the meaning given in the Recitals.

"**Program**" has the meaning given in the Recitals.

"**Qualifying Event**" means a Triggering Event that causes a loss of coverage under a Group Health Plan.

"**Transportation Plan**" has the meaning given in the Recitals.

"**Triggering Event**" means an event that will result in a Qualifying Event under COBRA; it also causes a loss of coverage under a Group Health Plan.

ARTICLE II. EMPLOYER RESPONSIBILITIES

2.1 Sole Responsibilities

(a) *General.* Employer has the sole authority and responsibility for the Program and its operation, including the authority and responsibility for administering, construing and interpreting the provisions of the Program and making all determinations thereunder. Employer gives PROVIDER the authority to act on behalf of Employer in connection with the Program, but only as expressly stated in this Agreement or as mutually agreed in writing by Employer and PROVIDER. All final determinations as to a Participant's entitlement to Program benefits are to be made by Employer, including any determination upon appeal of a denied claim for Program benefits. Employer is considered the Plan Administrator and Named Fiduciary of the Program benefits for purposes of ERISA.

(b) *Examples.* Without limiting Employer's responsibilities described herein, it shall be Employer's sole responsibility (as Plan Administrator) and duty to: ensure compliance with COBRA; perform required nondiscrimination testing; amend the Plans as necessary to ensure ongoing compliance with applicable law; file any required tax or governmental returns (including Form 5500 returns) relating to the Plans; determine if and when a valid election change has occurred; handle Participant appeals; execute and retain required Plan, claims and COBRA documentation; and take all other steps necessary to maintain and operate the Plans in compliance with applicable provisions of the Plans, ERISA, the Code and other applicable federal and state laws. Upon written request, PROVIDER can act as an independent contractor to assist in preparing said services for mutually agreed upon fees or as outlined in the fee schedule Appendix.

2.2 Service Charges, Taxes and Fees; Funding. Employer shall pay PROVIDER the service charges set forth in the Appendices hereto, as described in Article V. Employer shall promptly fund an account maintained for the payment of Program benefits as described in Article IV. In addition, the Employer shall pay PROVIDER any taxes or fees that may be required to be paid by the PROVIDER for any plans or plan participants sponsored by the Employer. Benefit Payment System (BPS), the company the PROVIDER uses for processing payments for the Employer Program will debit the Employer's bank account \$1.00 for a pre-note fee whenever the Employer provides a new bank account or there is a change in the bank account the Employer uses for payments under any Program. The employer will be responsible for funding this pre-note fee.

2.3 Information to PROVIDER. Employer shall furnish the information requested by PROVIDER as determined necessary to perform PROVIDER's functions hereunder, including information concerning the Program and the eligibility of individuals to participate in and receive Program benefits ("Eligibility Reports"). Such information shall be provided to PROVIDER in the time and in the manner agreed to by Employer and PROVIDER but no later than 30 days from the date of coverage termination for COBRA notification purposes. PROVIDER shall have no responsibility with regard to benefits paid in error due to Employer's failure to timely update such information. From time to time thereafter, but no more frequently than

Benefit Planning Consultants, Inc.

2 of 18

monthly, PROVIDER shall provide Employer with updated Reports by electronic medium unless otherwise agreed by the

1 of 18

"**Group Health Plan**" means a Plan maintained by an Employer that provides medical care to employees or their

parties. Employer shall be responsible for ensuring the accuracy of its Eligibility Reports, and bears the burden of proof in any dispute with Provider relating to the accuracy of any Report. Provider shall have no liability to Employer or any Participant as a consequence of an inaccurate Report and Provider shall not have any obligation to credit Employer for any claims expense or administrative fees incurred or paid to Provider as a consequence of Employer failing to review Reports for accuracy. Provider shall assume that all such information is complete and accurate and is under no duty to question the completeness or accuracy of such information. Such Eligibility Reports shall be considered PHI and, when transmitted by or maintained in electronic media shall be considered electronic PHI, and subject to the privacy and security rules under HIPAA and Article VI of this Agreement.

2.4 Plan Documents. Employer is responsible for the Program's compliance with all applicable federal and state laws and regulations and shall provide Provider with all relevant documents, including but not limited to, the Program documents and any Program amendments. Employer will notify Provider of any changes to the Program at least sixty (60) days before the effective date of such changes. Employer acknowledges that Provider is not providing tax or legal advice and that Employer shall be solely responsible for determining the legal and tax status of the Program. As described in Section 3.7, Provider can furnish updated documents and/or amendments at the current applicable fee.

2.5 Liability for Claims. Employer is responsible for payment of claims made pursuant to, and the benefits to be provided by, the Program. Provider does not insure or underwrite the liability of Employer under the Program. Employer is responsible for proper funding of reimbursements issued by Provider to participants. Except for expenses specifically assumed by Provider in this Agreement, Employer is responsible for all expenses incident to the Program.

2.6 Indemnification. Employer shall indemnify Provider and hold it harmless from and against all loss, liability, damage, expense, attorney's fees or other obligations, resulting from, or arising out of any act or omission of Employer in connection with the Program or demand, or lawsuit by Program Participants and beneficiaries against Provider in connection with benefit payments or services performed hereunder. In addition, Employer shall indemnify Provider and hold it harmless from and against any liability, expense, demand, or other obligation, resulting from, or out of any premium charge, tax or similar assessment (federal or state), for which the Program or Employer is liable. Employer shall also have the indemnification obligation described in Section 3.3(C). Provider shall indemnify Employer and hold it harmless from and against all loss, liability, damage, expense, attorney's fee or other obligations, resulting from, or arising out of any act or omission of Provider in connection with performing its obligations under this Agreement.

2.7 Medical Records. Employer shall, if required by law or regulation, notify each Participant and provide each Participant with an opportunity to opt out (if required) or obtain from each Participant such written authorization for release of any personal financial records and medical records in accordance with applicable state and federal law (including the Gramm-Leach-Bliley Act) to permit Employer and/or Provider to perform their obligations under this Agreement.

ARTICLE III PROVIDER RESPONSIBILITIES

3.1 Sole Responsibilities. Provider's sole responsibilities shall be as described in this Agreement (including the obligations listed in any Appendix to this Agreement). Provider generally provides certain reimbursement and record keeping services, as described further below.

3.2 Service Delivery. Provider shall provide customer service personnel during normal business hours as determined by Provider by telephone and shall provide electronic administrative services twenty-four (24) hours per day, seven (7) days per week. Provider shall not be deemed in default of this Agreement, nor held responsible for, any cessation, interruption or delay in the performance of its obligations hereunder due to causes beyond its reasonable control, including, but not limited to, natural disaster, act of God, labor controversy, civil disturbance, disruption of the public markets, war or armed conflict, or the inability to obtain sufficient materials or services required in the conduct of its business, including Internet access, or any change in or the adoption of any law, judgment or decree.

3.3 Benefits Payment. Provider shall, as agent of Employer, operate under the express terms of this Agreement and the Program. Provider shall initially determine if persons covered by the Program (as described in the Eligibility Reports) are entitled to benefits under the Program and shall pay Program benefits in its usual and customary manner, to Participants as set forth in this Article III and Article IV. Provider shall have no duty or obligation with respect to claims incurred prior to the Effective Date ("Prior Reimbursement Requests"), if any, and/or Program administration (or other) services arising prior to the Effective Date ("Prior Administration"), if any, regardless of whether such services were/are to be performed prior to or after the Effective Date. Employer agrees that: (a) Provider has no responsibility or obligation with respect to Prior Reimbursement Requests and/or Prior Administration; (b) Employer will be responsible for processing Prior Reimbursement Requests (including any run-off claims submitted after the Effective Date) and maintaining legally required records of all Prior Reimbursement Requests and Prior Administration sufficient to comply with applicable law (e.g., IRS substantiation) requirements; and (c) Employer shall indemnify and hold Provider harmless for any liability relating to Prior Reimbursement Requests and/or Prior Administration.

3.4 Bonding. Provider has, and will maintain, a fidelity bond for all persons involved in collecting money or making claim payments, and all officers of the company. This bond covers the handling of Employer's and Participants' money from dishonesty, theft, forgery or alteration, and unexplained disappearance.

3.5 Reporting. Provider shall make available to Employer each month via electronic medium (unless otherwise agreed upon by the parties) a master report showing annual election, year-to-date claims paid, year-to-date payroll deposits, and account balances. For purposes of Employer's FSA, Employer must provide certification that the plan document requires the Employer to comply with applicable privacy and security rules under HIPAA before Provider will make available the reports provided for in this Section to Employer. Provider shall also make available to Participants each quarter via electronic medium unless otherwise agreed on by the parties a report showing their individual payment history and status of claims and the amounts and transactions in their individual accounts. For purposes of Employer's Health FSA, Employer is responsible for ensuring that any beneficiary of the Participant for whom a claim has been submitted to the Health FSA has agreed to the disclosure of his or her PHI to the Participant, if required by the privacy rule.

3.6 Claims or Coverage Appeals. Provider shall refer to Employer or its designee, for final determination, any claim for benefits or coverage that is appealed after initial rejection by Provider or any class of claims that Employee may specify, including: (a) any question of eligibility or entitlement of the claimant for coverage under the Program; (b) any question with respect to the amount due; or (c) any other appeal.

3.7 Additional Documents. If Employer requests, and Employer and Provider mutually agree upon payment of applicable fees, then Provider shall furnish Employer: (a) plan documents to be reviewed by Employer, for creation of customized documentation for the Program to be approved and executed by Employer, including board resolutions, summary plan descriptions (SPDs), plan documents and plan amendments (if any); and (b) administrative forms needed for Provider to perform its duties under this Agreement. Provider will furnish legally required amendments, as needed without specific request of Employer at the rate stated on the Provider's current standard fee schedule.

3.8 Recordkeeping. Provider shall maintain, for the duration of this Agreement, the usual and customary books, records and documents, including electronic records, that relate to the Program and its Participants that Provider has prepared or that have otherwise come within its possession. These books, records, and documents, including electronic records, are the property of Employer, and Employer has the right of continuing access to them during normal business hours at Provider's offices with reasonable prior notice. If this Agreement terminates, Provider may deliver, or at Employer's request, will deliver all such books, records, and documents to Employer, subject to Provider's right to retain copies of any records it deems appropriate. Employer shall be required to pay Provider reasonable charges for transportation or duplication of such records.

Provided, however, that upon termination of this Agreement, Provider must destroy or return to Employer all PHI, including PHI that is in the possession of subcontractors or agents of Provider. If it is infeasible to return or destroy PHI received from Employer or the Health FSA, or created or received by Provider on behalf of Employer or the Health FSA, Provider shall provide to Employer notification of the conditions that make return or destruction infeasible. Upon

Employer's agreement that return or destruction of PHI is infeasible, Provider shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Provider retains such PHI. Provider shall pay all storage charges for any such PHI for so long as Provider retains such PHI

3.9 Standard of Care. Provider shall use reasonable care and due diligence in the exercise of its powers and the performance of its duties under this Agreement. If Provider makes any payment under this Agreement to an ineligible person, or if more than the correct amount is paid, Provider shall make a diligent effort to recover any payment made to or on behalf of an ineligible person or any overpayment. However, Provider will not be liable for such payment, unless such payment is the result of Provider's negligence or willful misconduct.

3.10 Notices to Participants; Amendment to Comply with Privacy Rules. Provider shall provide to Employer all notices (including any required opt-out notice) reflecting its privacy policies and practices as required by state and/or federal law (including the Gramm-Leach-Bliley Act). Parties agree to amend this Agreement as is necessary from time to time to comply with the requirements of the privacy rules under HIPAA.

3.11 Non-Discretionary Duties; Additional Duties. Provider and Employer agree that the duties to be performed hereunder by Provider are non-discretionary duties. Provider and Employer may agree to additional duties in writing as may be specified in the Appendices from time to time.

ARTICLE IV. BENEFIT PROGRAM PAYMENT: EMPLOYER'S FUNDING RESPONSIBILITY

4.1 Payment of Benefits. Employer authorizes Provider to pay Program benefits by checks written (or other draft payment or debit) on a bank account established and maintained in the name of the Employer for the payment of Program benefits. Each week or at such other interval as mutually agreed upon, Provider will notify Employer of the amount needed to pay approved benefit claims and Employer shall pay or transfer into the bank account the amount needed for the payment of Program benefits. Employer shall enter into such agreements and provide instructions to its bank as are necessary to implement this Section 4.1. Provider shall have sole authority to provide whatever notifications, instructions or directions as may be necessary to accomplish the disbursement of such Program funds to or on behalf of Participants in payment of approved claims. Provider is merely a collection agent for the employer and any funds collected belong to the employer (and not to the Provider). Provider shall immediately forward any amount due the group policyholder for remittance to the appropriate insurer. Provider will not pay any claims with money withdrawn from an account established in which premiums or charges are deposited. If debit cards are used in conjunction with the Program, Employer agrees to sufficiently fund the bank account and monitor it to prevent overdraft.

4.2 Funding of Benefits. Funding for any payment on behalf of the Participants under the Program, including but not limited to, all benefits to Participants in accordance with the Program, is the sole responsibility of Employer, and Employer agrees to accept liability for, and provide sufficient funds to satisfy, all payments to Participants under the Program, including claims for reimbursement for covered expenses, where such expenses are incurred and the claim is presented for payment during the term of this Agreement.

ARTICLE V. PROVIDER COMPENSATION

5.1 Service Charges. The amounts of the monthly service charges of Provider are described in the Appendices. Provider may change the amount of such charges by providing at least thirty (30) days written or electronic notice to Employer, before the annual date of renewal of this Agreement. Provider may also change the monthly service charges as of the date any change is made in the Program. Requests for additional or non-standard services may result in additional charges.

Benefit Planning Consultants, Inc.

5 of 18

5.2 Billing of Charges. All service charges of Provider, whether provided for in this or any other Section, shall be billed separately from statements for payment of claims so that proper accounting can be made by Employer of the respective amounts paid for claims and for administrative expenses.

5.3 Payment of Charges. All charges under this Article V shall be determined by Provider and billed prospectively to Employer on a monthly basis unless otherwise agreed upon in the Appendices. Fees for the month shall be billed around the 15th of the preceding month. Alternatively, if so agreed by the parties, Provider may deduct payment for monthly service charges from the bank account maintained by Employer as described in Article IV. Employer shall make payment to Provider within twenty one (21) calendar days of receipt of notice of the amount due, or such amount will automatically be deducted from the bank account maintained by Employer as described in Article IV, following a minimum of three (3) business days written notice by Provider and a failure by Employer to cure such nonpayment.

ARTICLE VI. HIPAA GUIDELINES FOR EMPLOYER AND PROVIDER

This Article VI is the **BUSINESS ASSOCIATE AGREEMENT ("Agreement")** by and between the Plan Administrator or Employer ("Covered Entity") and the Provider ("Business Associate"). Business Associate and Covered Entity are hereafter referred to individually as a "Party" and collectively as the "Parties".

The Parties recognize that HIPAA and the Privacy Regulations require the imposition of certain safeguards necessary to protect the privacy of individually identifiable health information that is created or received by Business Associate in performing services ("Services") for or on behalf of Covered Entity pursuant to the most recent Provider Services Agreement ("Underlying Agreement").

The Parties will fully comply with all applicable Privacy Security Regulations (including Breach Notification regulations) and other applicable laws respecting the privacy and the security of health information, and hereby agree to enter into this Agreement in order to comply with the business associate agreement requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulations and to comply with the Privacy and Security Regulations, the standards for electronic transactions (45 C.F.R. Parts 160, 162, and 164) promulgated or to be promulgated under HIPAA, and to incorporate any material required to be incorporated thereby. The Parties do hereby agree as follows:

6.1 Definitions.

- (a) *Breach.* "Breach" shall have the same meaning as the term "breach" in 45 CFR §164.402.
- (b) *Breach Notification Rule.* "Breach Notification Rule" shall mean the Standards and Implementation Specifications for Notification of Breaches of Unsecured Protected Health Information under 45 CFR Parts 160 and 164, subparts A and D.
- (c) *Business Associate.* "Business Associate" shall mean Benefit Planning Consultants, Inc.
- (d) *Covered Entity.* "Covered Entity" shall mean Plan Administrator or Employer.
- (e) *Designated Record Set.* "Designated Record Set" shall mean

- (1) A group of records maintained by or for a health plan or health care provider, that is:
 - (i) The medical records and billing records about individuals maintained by or for a covered health care provider;
 - (ii) The enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or

Benefit Planning Consultants, Inc.

6 of 18

(ii) Used, in whole or in part, by or for the health plan or health care provider to make decisions about individuals.

(2) For purposes of this definition, the term *record* means any item, collection, or grouping of information that includes protected health information and is maintained, collected, used, or disseminated by or for a health plan or health care provider.

(f) *Electronic Protected Health Information*. "Electronic Protected Health Information" shall have the same meaning as the term "electronic protected health information" in 45 CFR §160.103.

(g) *Electronic Transactions Rule*. "Electronic Transactions Rule" shall mean the final regulations issued by HHS concerning standard transactions and code sets under 45 CFR Parts 160 and 162.

(h) *Enforcement Rule*. "Enforcement Rule" shall mean the Enforcement Provisions set forth in 45 CFR Part 160.

(i) *Genetic Information*. "Genetic Information" shall have the same meaning as the term "genetic information" in 45 CFR §160.103.

(j) *HHS*. "HHS" shall mean the Department of Health and Human Services.

(k) *HIPAA Rules*. "HIPAA Rules" shall mean the Privacy Rule, Security Rule, Breach Notification Rule, and Enforcement Rule.

(l) *HITECH Act*. "HITECH Act" shall mean the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009.

(m) *Privacy Rule*. "Privacy Rule" shall mean the Privacy Standards and Implementation Specifications at 45 CFR Parts 160 and 164, subparts A and E.

(n) *Protected Health Information*. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR §160.103, limited to the information created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity pursuant to this Agreement.

(o) *Required by Law*. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR §164.103.

(p) *Security Incident*. "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR §164.304.

(q)

(r) *Security Rule*. "Security Rule" shall mean the Security Standards and Implementation Specifications at 45 CFR Parts 160 and 164, subparts A and C.

(s) *Subcontractor*. "Subcontractor" shall have the same meaning as the term "subcontractor" in 45 CFR §160.103.

(t) *Transaction*. "Transaction" shall have the meaning given the term "transaction" in 45 CFR §160.103.

(u) *Unsecured Protected Health Information*. "Unsecured Protected Health Information" shall have the meaning given the term "unsecured protected health information" in 45 CFR §164.402.

6.2 Privacy and Security of Protected Health Information.

(a) **Permitted Uses and Disclosures**. Business Associate is permitted to use and disclose Protected Health Information only as set forth below:

(i) **Functions and Activities on Covered Entity's Behalf**. Business Associate performs one or more services relating to Health Reimbursement Arrangement Accounts (HRA), Health Flexible Spending Accounts (FSA), and Dependent Care Flexible Spending Accounts (DCAP), Health Savings Accounts (HSA) and COBRA administration as defined in the Underlying Agreement.

(ii) **Business Associate's Operations**. Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate. Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate or to carry out Business Associate's legal responsibilities, provided that:

(A) The disclosure is Required by Law, or

(B) Business Associate obtains reasonable assurance from any person or entity to which Business Associate will disclose Protected Health Information that the person or entity will:

(1) Hold the Protected Health Information in confidence and use or further disclose the Protected Health Information only for the purpose for which Business Associate disclosed Protected Health Information to the person or entity or as Required by Law; and

(2) Promptly notify Business Associate of any instance of which the person or entity becomes aware in which the confidentiality of Protected Health Information was breached.

(iii) **Minimum Necessary**. Business Associate will, in its performance of the functions, activities, services, and operations specified above, make reasonable efforts to use, to disclose, and to request only the minimum amount of Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure, or request, except that Business Associate will not be obligated to comply with this minimum-necessary limitation if neither Business Associate nor Covered Entity is required to limit its use, disclosure, or request to the minimum necessary under the HIPAA Rules. Business Associate and Covered Entity acknowledge that the phrase "minimum necessary" shall be interpreted in accordance with the HITECH Act and the HIPAA Rules.

(b) **Prohibition on Unauthorized Use or Disclosure**. Business Associate will neither use nor disclose Protected Health Information, except as permitted or required by this Agreement or in writing by Covered Entity or as

Required by Law. This Agreement does not authorize Business Associate to use or disclose Covered Entity's Protected Health Information in a manner that would violate the HIPAA Rules if done by Covered Entity, except as permitted for Business Associate's proper management and administration, as described above.

(c) **Information Safeguards.**

(i) **Privacy of Protected Health Information.** Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of Protected Health Information. The safeguards must reasonably protect Protected Health Information from any intentional or unintentional use or disclosure in violation of the Privacy Rule and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement. To the extent the parties agree that the Business Associate will carry out directly one or more of Covered Entity's obligations under the Privacy Rule, the Business Associate will comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligations.

(ii) **Security of Covered Entity's Electronic Protected Health Information.** Business Associate will comply with the Security Rule and will use appropriate administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that Business Associate creates, receives, maintains, or transmits on Covered Entity's behalf.

(iii) **No Transfer of PHI Outside United States.** Business Associate will not transfer Protected Health Information outside the United States without the prior written consent of the Covered Entity. In this context, a "transfer" outside the United States occurs if Business Associate's workforce members, agents, or subcontractors physically located outside the United States are able to access, use, or disclose Protected Health Information.

(d) **Subcontractors.** Business Associate will require each of its Subcontractors to agree, in a written agreement with Business Associate, to comply with the provisions of the Security Rule; to appropriately safeguard Protected Health Information created, received, maintained, or transmitted on behalf of the Business Associate; and to apply the same restrictions and conditions that apply to the Business Associate with respect to such Protected Health Information.

(e) **Prohibition on Sale of Protected Health Information.** Effective as of Effective Date, Business Associate shall not engage in any sale (as defined in the HIPAA rules) of Protected Health Information.

(f) **Prohibition on Use or Disclosure of Genetic Information.** Effective as of Effective Date, Business Associate shall not use or disclose Genetic Information for underwriting purposes in violation of the HIPAA rules.

(g) **Penalties for Noncompliance.** Business Associate acknowledges that it is subject to civil and criminal enforcement for failure to comply with the HIPAA Rules, to the extent provided by the HITECH Act and the HIPAA Rules.

6.3 Compliance With Electronic Transactions Rule. If Business Associate conducts in whole or part electronic Transactions on behalf of Covered Entity for which HHS has established standards, Business Associate will comply, and will require any Subcontractor it involves with the conduct of such Transactions to comply, with each applicable requirement of the Electronic Transactions Rule and of any operating rules adopted by HHS with respect to Transactions.

6.4 Individual Rights.

(a) **Access.** Business Associate will, within twenty-five (25) calendar days following Covered Entity's request, make available to Covered Entity (or, at Covered Entity's written direction, to an individual or the individual's designee) for inspection and copying Protected Health Information about the individual that is in a Designated Record Set in Business Associate's custody or control, so that Covered Entity may meet its access obligations under 45 CFR

§164.524. Effective September 23, 2013, if Covered Entity requests an electronic copy of Protected Health Information that is maintained electronically, in a Designated Record Set in the Business Associate's custody or control, Business Associate will provide an electronic copy in the form and format specified by the Covered Entity if it is readily producible in such format; if it is not readily producible in such format, Business Associate will work with Covered Entity to determine an alternative form and format that enable Covered Entity to meet its electronic access obligations under 45 CFR §164.524.

(b) **Amendment.** Business Associate will, upon receipt of written notice from Covered Entity, promptly amend or permit Covered Entity access to amend any portion of an individual's Protected Health Information that is in a Designated Record Set in the custody or control of the Business Associate, so that Covered Entity may meet its amendment obligations under 45 CFR §164.526.

(c) **Disclosure Accounting.** To allow Covered Entity to meet its obligations to account for disclosures of Protected Health Information under 45 CFR §164.528:

(i) **Disclosures Subject to Accounting.** Business Associate will record the information specified below ("Disclosure Information") for each disclosure of Protected Health Information, not excepted from disclosure accounting as specified below, that Business Associate makes to Covered Entity or to a third party.

(ii) **Disclosures Not Subject to Accounting.** Business Associate will not be obligated to record Disclosure Information or otherwise account for disclosures of Protected Health Information if Covered Entity need not account for such disclosures under the HIPAA Rules.

(iii) **Disclosure Information.** With respect to any disclosure by Business Associate of Protected Health Information that is not excepted from disclosure accounting under the HIPAA Rules, Business Associate will record the following Disclosure Information as applicable to the type of accountable disclosure made:

(A) **Disclosure Information Generally.** Except for repetitive disclosures of Protected Health Information as specified below, the Disclosure Information that Business Associate must record for each accountable disclosure is (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 the Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure.

(B) **Disclosure Information for Repetitive Disclosures.** For repetitive disclosures of Protected Health Information 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 above for each accountable disclosure, or (i) the Disclosure Information specified 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.

(iv) **Availability of Disclosure Information.** Business Associate will maintain the Disclosure Information for at least 6 years following the date of the accountable disclosure to which the Disclosure Information relates. Business Associate will make the Disclosure Information available to Covered Entity within fifty-five (55) calendar days following Covered Entity's request for such Disclosure Information to comply with an individual's request for disclosure accounting.

(d) **Restriction Agreements and Confidential Communications.** Covered Entity shall notify Business Associate of any limitations in the notice of privacy practices of Covered Entity under 45 CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information. Business Associate will comply with any notice from Covered Entity to (1) restrict use or disclosure of Protected Health Information pursuant to 45 CFR §164.522(a), or (2) provide for confidential communications of Protected Health Information pursuant to 45

CFR §164.522(b), provided that Covered Entity notifies Business Associate in writing of the restriction or confidential communications obligations that Business Associate must follow. Covered Entity will promptly notify Business Associate in writing of the termination of any such restriction or confidential communications requirement and, with respect to termination of any such restriction, instruct Business Associate whether any of the Protected Health Information will remain subject to the terms of the restriction agreement.

6.5 Breaches and Security Incidents.

(a) Reporting.

(i) **Impermissible Use or Disclosure.** Business Associate will report to Covered Entity any use or disclosure of Protected Health Information not permitted by this Agreement not more than twenty-five (25) calendar days after Business Associate discovers such non-permitted use or disclosure.

(ii) **Breach of Unsecured Protected Health Information.** Business Associate will report to Covered Entity any potential Breach of Unsecured Protected Health Information not more than fifty-five (55) calendar days after discovery of such potential Breach. Business Associate will treat a potential Breach as being discovered in accordance with 45 CFR §164.410. Business Associate will make the report to Covered Entity's Privacy Officer. If a delay is requested by a law-enforcement official in accordance with 45 CFR §164.412, Business Associate may delay notifying Covered Entity for the applicable time period. Business Associate's report will include at least the following, provided that absence of any information will not be cause for Business Associate to delay the report:

- (A) Identify the nature of the Breach, which will include a brief description of what happened, including the date of any Breach and the date of the discovery of any Breach;
- (B) Identify the types of Protected Health Information that were involved in the Breach (such as whether full name, Social Security number, date of birth, home address, account number, diagnosis, or other information were involved);
- (C) Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;
- (D) Identify what corrective or investigational action Business Associate took or will take to prevent further non-permitted uses or disclosures, to mitigate harmful effects, and to protect against any further Breaches;
- (E) Identify what steps the individuals who were subject to a Breach should take to protect themselves;
- (F) Provide such other information, including a written report and risk assessment under 45 CFR §164.402, as Covered Entity may reasonably request.

(iii) **Security Incidents.** Business Associate will report to Covered Entity any Security Incident of which Business Associate becomes aware. Business Associate will make this report annually, except if any such Security Incident resulted in a disclosure not permitted by this Agreement or Breach of Unsecured Protected Health Information, Business Associate will make the report in accordance with the provisions set forth above.

(b) **Mitigation.** Business Associate shall mitigate, to the extent practicable, any harmful effect known to the Business Associate resulting from a use or disclosure in violation of this Agreement.

6.6 Term and Termination.

(a) **Term.** This Agreement shall be effective as of Effective Date.

(b) **Right to Terminate for Cause.** Covered Entity may terminate this Agreement if it determines, in its sole discretion, that Business Associate has breached any provision of this Agreement, and after written notice to Business Associate of the breach, Business Associate has failed to cure the breach within thirty (30) calendar days after receipt of the notice. Any such termination will be effective immediately or at such other date specified in Covered Entity's notice of termination.

(c) Treatment of Protected Health Information on Termination.

(i) **Return or Destruction of Covered Entity's Protected Health Information If Feasible.** Upon termination of this Agreement, Business Associate will, if feasible, return to Covered Entity or destroy all Protected Health Information 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 the Protected Health Information. This provision shall apply to Protected Health Information that is in the possession of any Subcontractors of Business Associate. Further, Business Associate shall require any such Subcontractor to certify to Business Associate that it has returned or destroyed all such information which could be returned or destroyed. Business Associate will complete these obligations as promptly as possible, but not later than sixty (60) calendar days following the Effective Date of the termination of this Agreement.

(ii) **Procedure When Return or Destruction Is Not Feasible.** Business Associate will identify any Protected Health Information, including any Protected Health Information that Business Associate has disclosed to Subcontractors, that cannot feasibly be returned to Covered Entity or destroyed and explain why return or destruction is infeasible. Business Associate will limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. Business Associate will complete these obligations as promptly as possible, but not later than sixty (60) calendar days following the Effective Date of the termination or other conclusion of Agreement.

(iii) **Continuing Privacy and Security Obligation.** Business Associate's obligation to protect the privacy and safeguard the security of Protected Health Information as specified in this Agreement will be continuous and survive termination or other conclusion of this Agreement.

6.7 General Provisions.

(a) **Definitions.** All terms that are used but not otherwise defined in this Agreement shall have the meaning specified under HIPAA, including its statute, regulations, and other official government guidance.

(b) **Inspection of Internal Practices, Books, and Records.** Business Associate will make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to Covered Entity and to HHS to determine compliance with the HIPAA Rules.

(c) **Red Flag Rules.** To the extent applicable and upon the Effective Date, as stated by the Federal Trade Commission (the "FTC"), and thereafter, if Business Associate performs services for Covered Entity with respect to Covered Accounts as such term is defined in the Identity Theft Red Flag rules published by the FTC (the "Rules"), Business Associate shall also be deemed a "Service Provider" of Covered Entity and as to such Covered Accounts, Business Associate shall: (i) perform its activities under the Agreement in accordance with reasonable policies and procedures of Business Associate designed to detect, prevent, and mitigate the risk of identity theft, as required of a Service Provider under the Rules (the "Program"); and (ii) promptly report to Covered Entity but in no event later than five (5) days after learning of any specific Red Flag Incidents (as such term is defined in the Rules) which Business Associate detects as to Covered Accounts of Covered Entity pursuant to the Program and respond to, or reasonably assist Covered Entity in responding to, such reported Red Flag.

(d) **Amendment to Agreement.** This Agreement may be amended only by a written instrument signed by the parties. In case of a change in applicable law, the parties agree to negotiate in good faith to adopt such amendments as are necessary to comply with the change in law.

(e) No Third-Party Beneficiaries. Nothing in this Agreement shall be construed as creating any rights or benefits to any third parties.

(f) Interpretation. Any ambiguity in the Agreement shall be resolved to permit Covered Entity and Business Associate to comply with the applicable requirements under the HIPAA Rules.

(g) Governing Law, Jurisdiction, and Venue. This Agreement shall be governed by the law of Illinois, except to the extent preempted by federal law. Business Associate shall comply with all applicable federal, state and local laws, rules and regulations, including, without limitation, the requirements of HIPAA.

(h) Severability. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(i) Construction and Interpretation. The section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. This Agreement has been negotiated by the parties at arm's-length and each of them has had an opportunity to modify the language of the Agreement. Accordingly, the Agreement shall be treated as having been drafted equally by the parties and the language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any party shall not apply. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

(j) Notices. All notices and communications required by this Agreement shall be in writing. Such notices and communications shall be given in one of the following forms: (i) by delivery in person, (ii) by a nationally-recognized, next-day courier service, (iii) by first-class, registered or certified mail, postage prepaid; or (iv) by electronic mail to the address that each party specifies in writing.

(k) Underlying Agreement. Except as specifically required to implement the purposes of this Agreement, and except to the extent inconsistent with this Agreement, all terms of the Underlying Agreement shall remain in full force and effect. In the event of a conflict between the terms of the Underlying Agreement and this Agreement, this Agreement shall control.

(l) Indemnification. Business Associate agrees to indemnify, defend, and hold harmless Covered Entity and its directors, officers, affiliates, employees, agents, and permitted successors from and against any and all claims, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees) arising out of or resulting from or arising out of any act or omission of Business Associate in connection with performing its obligations under this Agreement or the Underlying Agreement. Covered Entity agrees to indemnify, defend, and hold harmless Business Associate and its directors, officers, affiliates, employees, agents, and permitted successors from and against any and all claims, loss, liability, damage, costs, and expenses (including reasonable attorneys' fees) or other obligations, resulting from, or arising out of any act or omission of Covered Entity in connection with performing its obligations under this Agreement.

ARTICLE VII **GENERAL PROVISIONS**

7.1 Severability; Headings. If any term of this Agreement is declared invalid by a court, the same will not affect the validity of any other provision, provided that the basic purposes of this Agreement are achieved through the remaining valid provisions. The headings of Sections and subsections contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

7.2 Compliance; Non-Waiver. Failure by Employer or Provider to insist upon strict performance of any provision of this Agreement will not modify such provision, render it unenforceable, or waive any subsequent breach. No waiver or modification of any of the terms or provisions of this Agreement shall be valid unless in each instance the waiver or modification is accomplished pursuant to the amendment provisions of Section 7.3.

7.3 Assignment; Amendment. Neither Employer nor Provider can assign this Agreement without the other party's written consent. This Agreement may be amended only by written agreement of duly authorized officers of Employer and Provider.

7.4 Audits. Each party shall be authorized to perform audits of the records of payment to all Participants and other data specifically related to performance of the parties under this Agreement upon reasonable prior written notice to the other. Audits shall be performed during normal working hours. Audits may be performed by an agent of either party provided such agent signs an acceptable confidentiality agreement. Each party agrees to provide reasonable assistance and information to the auditors. Employer acknowledges and agrees that if it requests an audit, it shall reimburse Provider for Provider's reasonable expenses, including copying and labor costs, in assisting Employer to perform the audit. Each party also agrees to provide such additional information and reports as the other party shall reasonably request.

7.5 Non-Disclosure of Proprietary Information

(a) General. Employer and Provider each acknowledge that in contemplation of entering into this Agreement (and as a result of the contractual relationship created hereby), each party has revealed and disclosed, and shall continue to reveal and disclose to the other, information which is proprietary and or confidential information of such party.

Employer and Provider agree that each party shall: (a) keep such proprietary and/or confidential information of the other party in strict confidence; (b) not disclose confidential information of the other party to any third parties or to any of its employees not having a legitimate need to know such information; and (c) shall not use confidential information of the other party for any purpose not directly related to and necessary for the performance of its obligations under this Agreement; (unless required to do so by a court of competent jurisdiction or a regulatory body having authority to require such disclosure).

(b) Confidential Information Defined. Information revealed or disclosed by a party for any purpose not directly related to and necessary for the performance of such party's obligations under this Agreement shall not be considered confidential information for purposes hereof (a) if, when, and to the extent such information is or becomes generally available to the public without the fault or negligence of the party receiving or disclosing the information; or (b) if the unrestricted use of such information by the party receiving or disclosing the information has been expressly authorized in writing and in advance by an authorized representative of the other party. For purposes of this Section, confidential information is any information in written, human-readable, machine-readable, or electronically recorded form (and legended as confidential and/or proprietary or words of similar import) and information disclosed orally in connection with this Agreement and identified as confidential and/or proprietary (or words of similar import); and programs, policies, practices, procedures, files, records and correspondence concerning the parties' respective businesses or finances. The terms and conditions of this Section 7.5 shall survive the termination of this Agreement.

7.6 Arbitration. In the event of any dispute, claim, question or disagreement arising from or relating to this Agreement or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with one another in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If no satisfactory resolution is achieved within a period of thirty (30) days, then, upon notice by either party to the other, any controversy or claim arising out of or relating to this Agreement between Employer and Provider, or the breach thereof, shall be subject to non-binding arbitration prior to the filing of a complaint in a court of law; provided, however, that such arbitration shall be final and binding and may be enforced in any court with the requisite jurisdiction if the parties agree in advance, in writing, that such arbitration shall have final, binding effect. All arbitration, whether binding or non-binding, shall be

conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall take place in Grundy or Will Counties, Illinois.

7.7 Notices and Communications.

(a) *Notices.* All notices provided for herein shall be sent by confirmed facsimile, or guaranteed overnight mail, with tracing capability, or by first class United States mail, with postage prepaid, addressed to the other party at their respective addresses set forth below or such other addresses as either party may designate in writing to the other from time to time for such purposes. All notices provided for herein shall be deemed given or made when sent.

(b) *Addresses.*

Employer's address for notices as described above
is:
Village of Coal City
515 S. Broadway
Coal City, IL 60416

Provider's address for notices as described above
is:
Benefit Planning Consultants, Inc.
2110 Clearlake Blvd., Suite 200
P.O. Box 7500
Champaign, IL 61826-7500

(c) *Communications.* Employer agrees that Provider may communicate confidential, protected, privileged or otherwise sensitive information to Employer through a named contact designated by Employer: "Named Contact" and specifically agrees to indemnify Provider and hold it harmless: (a) for any such communications directed to Employer through the Named Contact attempted via telefax, mail, telephone, e-mail or any other media, acknowledging the possibility that such communications may be inadvertently misrouted or intercepted, except except where such misrouting or interception results from Provider's negligence or willful misconduct; and (b) from any claim for the improper use or disclosure of any PHI by Provider if such information is used in a manner consistent with its duties and responsibilities hereunder.

7.8 Termination of Agreement

(a) *Automatic.* This Agreement shall automatically terminate as of the earliest of the following: (i) the effective date of any legislation which makes the Program and/or this Agreement illegal; (ii) the date Employer or Provider becomes insolvent, or bankrupt, or subject to liquidation, receivership, or conservatorship; or (iii) the termination date of the Program, subject to any agreement between Employer and Provider regarding payment of benefits after the Program is terminated.

(b) *Optional.* This Agreement may be terminated as of the earliest of the following: (i) by Provider upon the failure of Employer to pay any charges within thirty (30) business days after they are due and payable as provided in Article V; (ii) by Provider upon the failure of Employer to perform its obligations in accordance with this Agreement, (iii) by Employer upon the failure of Provider to perform its obligations in accordance with this Agreement; or (iv) by either Employer or Provider, as of the end of the term of this Agreement, by giving the other party thirty (30) days written notice.

(c) *Limited Continuation After Termination.* If the Program is terminated, Employer and Provider may mutually agree in writing that this Agreement shall continue for the purpose of payment of any Program benefit, expense or claims incurred prior to the date of Program termination. In addition, if this Agreement is terminated while the Program continues in effect, Employer and Provider may mutually agree in writing that this Agreement shall continue for the purpose of payment of any claims for which requests for reimbursements have been received by Provider before the date of such termination. If this Agreement is continued in accordance with this subsection (c), Employer shall pay the monthly service charges incurred during the period that this Agreement is so continued. This Agreement shall continue as provided by and subject to Section 3.8 if the return or destruction of PHI is determined to be infeasible.

(d) *Survival of Certain Provisions.* Termination of this Agreement shall not terminate the rights or obligations of

either party arising out of a period prior to such termination. The indemnity, confidentiality, privacy and security provisions of this Agreement shall survive its termination.

(e) **7.9 Complete Agreement; Governing Law.** This Agreement (including the Appendices) is the full Agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and representations between the parties. This Agreement shall be construed, enforced and governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, Employer and Provider have caused this Agreement to be executed in their names by their undersigned officers, the same being duly authorized to do so.

Village of Coal City
("Employer")

Benefit Planning Consultants, Inc.
("Provider")

Signed: _____
By: _____
Title: _____
Date: _____

Signed: _____
Title: Director of Benefit Operations and Compliance
By: Robert Nikolai
Date: _____

Provider Service Agreement
Appendix A — Health FSA & DCAP Administration Guidelines
Village of Coal City

creditable coverage unless otherwise agreed upon by both parties in writing and for mutually agreed upon fees.

- Determining if and when an event has occurred under the IRS permitted election change regulations such that a change in election is permitted under the Health FSA or DCAP.
- Employer is responsible for furnishing Open Enrollment materials, SPDs, and SNMs to Plan Participants as needed.

Initial Setup Fee: N/A.

Initial Document Fee: N/A.

**Requests for additional or non-standard services may result in additional charges.

Monthly Service Charges:

The monthly fees charged for each Participant enrolled in the Health FSA & DCAP for any part of the plan year of the Agreement and for 90 days following a participant's termination from the Health FSA & DCAP shall be \$3.95 per Participant per month, with a minimum monthly fee of \$50. Monthly fees will be billed by BPC around the 15th of each month for Provider services performed for the following month, and are due and payable within 21 calendar days. Interest that will not exceed the amount specified in the Local Government Prompt Payment Act (50 ILCS 505/1, et seq.) will be charged on the outstanding balance beginning 30 calendar days after it is billed, unless Employer has provided written notice of a bona fide dispute regarding the unpaid balance. Requests for stop-payment or nonpayment of any claims expenses for insufficient funds or any other reason will be billed at the prevailing fee charged by bank or debit card company at the time the request is made or non-payment occurs.

Annual Administration Services:

Annual New Year data set-up and annual discrimination testing is \$100.00 after the first Plan Year. *Optional:* IRS form 5500 preparation and filing (if required) will be charged at the current applicable rates.

Services Included:

Employer is responsible for all legal requirements and administrative obligations with regard to the Health FSA & DCAP, except for the following administrative duties (to be performed by BPC):

- BPC shall make available (by electronic medium or paper copy) a set of master enrollment and reimbursement forms and instructions for filing Participant claims, so the employer can make copies to distribute to all plan participants. Upon payment of additional fees, BPC shall make available other Health FSA & DCAP documents.
- Upon receiving instructions from Employer with regard to a Participant's change in status or other event that permits an election change under IRS regulations, BPC shall make the requested change in the Participant's election as soon as practicable.
- Employer shall prepare and submit any Form 5500 unless otherwise agreed upon by both parties in writing and for mutually agreed upon fees.
- BPC shall assist Employer in preparing nondiscrimination tests for the Health FSA & DCAP when requested.
- BPC shall disburse any benefit payments that it determines to be due weekly but within no more than one (1) month from the day on which BPC receives the claim. Benefit payments shall be made by check or direct deposit payable to the Participant. Claims of less than \$25.00 may be carried forward and aggregated with future claims until the total amount is equal to or greater than \$25.00, except that any remaining amount shall be paid after the end of the run-out period for the Plan Year without regard to the \$25.00 threshold. In the case of DCAP claims, if the amount of the claim exceeds the amount the Participant has had withheld to date, BPC will hold the claim and make reimbursements as monies are withheld from the Participant's pay.
- BPC shall notify Participants with regard to any claims that are denied due to inadequate substantiation or data submission and provide an adequate period of time for the Participant to resubmit the claim. BPC shall follow the requirements of ERISA with regard to denial of claims.

Services Not Included:

BPC is not responsible for any of the following:

- Employer's compliance with COBRA or compliance with HIPAA with regard to certificates of

Benefit Planning Consultants, Inc.

17 of 18

Benefit Planning Consultants, Inc.

18 of 18

Building Department

Permits - Tornado Related Only

December 11, 2015

Permits Issued:	227	
Permit Fees:	\$ 187,672	
Uncollected Fees:	\$ 4,870	4 - permits pending
Fees Collected:	\$ 189,770	

Closed Permits:

Occupancy Permit:	45
Shed/Garage/Fence:	<u>11</u>
Total:	56

Registered Contractors:

Existing Contractors:	101
Tornado Contractors:	<u>409</u>
Total:	510

Inspections:

Building - 9/15/15-12/9/15	450
Electric - 8/11/15-12/9/15	70
Plumbing - 8/17/15-12/10/15	<u>113</u>
Total:	633