

AGENDA

GENERAL ADMINISTRATION & PERSONNEL COMMITTEE VILLAGE OF HOFFMAN ESTATES November 8, 2010

Immediately Following Planning, Building, and Zoning Committee

Members: Cary Collins, Chairperson
Ray Kincaid, Vice-Chairperson
Gary Pilafas, Trustee
Karen Mills, Trustee
Jacquelyn Green, Trustee
Anna Newell, Trustee
William McLeod, Mayor

I. Roll Call

II. Approval of Minutes – October 11, 2010

NEW BUSINESS

1. Request approval of an ordinance amending Section 2-2-2, Regular Meetings, of the Hoffman Estates Municipal Code.
2. Request approval to amend the Flexible Benefits plan to appoint Discovery Benefits, Inc. as the Third Party Administrator and to continue with the additional Village depository.
3. Request acceptance of Cable TV Monthly Report.
4. Request acceptance of Human Resources Management Monthly Report.

III. President's Report

IV. Other

V. Adjournment

**GENERAL ADMINISTRATION & PERSONNEL
COMMITTEE MEETING MINUTES**

October 11, 2010

I. Roll Call

Members in Attendance:

Cary Collins, Chairperson
Ray Kincaid, Vice-Chairperson
Gary Pilafas, Trustee
Trustee Karen Mills
Trustee Jacquelyn Green
Trustee Anna Newell
Village President William McLeod

**Management Team Members
in Attendance:**

Jim Norris, Village Manager
Arthur Janura, Corporation Counsel
Dan O'Malley, Deputy Village Manager
Mark Koplin, Asst. Vlg. Mgr., Dev. Services
Patrick Seger, Human Resource Mgmt Dir.
Bev Romanoff, Village Clerk
Nathan Roseberry, Traffic Engineer
Don Plass, Director of Code Enforcement
Robert Gorvett, Fire Chief
Mike Hish, Acting Police Chief
Algean Garner, Director of HHS
Michael DuCharme, Director of Finance
Ashley Monroe, Planner
Ben Gibbs, Sears Centre
Ken Hari, Director of Public Works

Others in Attendance

Reporter from *Daily Herald & Chicago Tribune*

The General Administration & Personnel Committee meeting was called to order at 7:30 p.m.

Motion by Mayor McLeod, seconded by Trustee Mills, to recess this meeting until Chairman Collins is present. He advised he will be a few minutes late.

The General Administration & Personnel Committee meeting was reconvened at 7:40 p.m.

II. Approval of Minutes

Motion by Mayor McLeod, seconded by Trustee Newell, to approve the General Administration & Personnel Committee meeting minutes of September 13, 2010. Voice vote taken. All ayes. Motion carried.

Motion by Trustee Mills, seconded by Mayor McLeod, to approve the Special General Administration & Personnel Committee meeting minutes of September 27, 2010, with revisions. Voice vote taken. All ayes. Motion carried.

NEW BUSINESS

1. Request acceptance of Cable TV Monthly Report.

The Cable TV Monthly Report was submitted to the Committee.

Motion by Trustee Mills, seconded by Trustee Green, to accept the Cable TV Monthly Report. Voice vote taken. All ayes. Motion carried.

2. Request acceptance of Human Resources Management Monthly Report.

The Human Resources Management Monthly Report was submitted to the Committee.

Motion by Trustee Mills, seconded by Mayor McLeod, to accept the Human Resources Management Monthly Report. Voice vote taken. All ayes. Motion carried.

III. President's Report

IV. Other

V. Items in Review

VI. Adjournment

Motion by Trustee Mills, seconded by Mayor McLeod, to adjourn the meeting at 7:42 p.m. Voice vote taken. All ayes. Motion carried.

Minutes submitted by:

Debbie Schoop, Executive Assistant

Date

COMMITTEE AGENDA ITEM

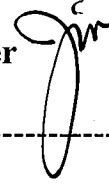
VILLAGE OF HOFFMAN ESTATES

SUBJECT: Request approval of an ordinance amending Section 2-2-2, Regular Meetings, of the Hoffman Estates Municipal Code

MEETING DATE: November 8, 2010

COMMITTEE: General Administration and Personnel

FROM: James H. Norris, Village Manager



PURPOSE: Request approval of an ordinance amending Section 2-2-2, Regular Meetings, of the Hoffman Estates Municipal Code.

DISCUSSION: At the October 11, 2010 Village Board meeting, it was requested that the Municipal Code be amended to allow regular Board meetings that fall on a legal holiday to be rescheduled to the following Monday. The attached draft ordinance accomplishes this and is provided for your review and approval.

RECOMMENDATION: Request approval of an ordinance amending Section 2-2-2, Regular Meetings, of the Hoffman Estates Municipal Code.

VILLAGE OF HOFFMAN ESTATES

AN ORDINANCE AMENDING
SECTION 2-2-2, REGULAR MEETINGS,
OF THE HOFFMAN ESTATES MUNICIPAL CODE

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

Section 1: That Section 2-2-7, ORDER OF BUSINESS, of the Hoffman Estates Municipal Code be amended to read as follows:

Section 2-2-2. REGULAR MEETINGS

Regular meetings of the Village Board shall be held on the first and third Mondays of each month at 8:00 p.m. in the Council Chambers, Municipal Building, 1900 Hassell Road, Hoffman Estates, Illinois. In case such meeting shall fall on a legal holiday, then such meeting shall be held the following Monday at the same time and place aforesaid. Legal holidays shall be New Year's Day, Memorial Day, the Fourth of July, or designated day for employees' holiday, Labor Day, Thanksgiving Day, Christmas Eve Day or designated day for employees' holiday, Christmas Day or designated day for employees' holiday.

Section 2: The Village Clerk is hereby authorized to publish this ordinance in pamphlet form.

Section 3: This Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS _____ day of _____, 2010

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	_____	_____	_____	_____
Trustee Cary J. Collins	_____	_____	_____	_____
Trustee Raymond M. Kincaid	_____	_____	_____	_____
Trustee Jacquelyn Green	_____	_____	_____	_____
Trustee Anna Newell	_____	_____	_____	_____
Trustee Gary J. Pilafas	_____	_____	_____	_____
Mayor William D. McLeod	_____	_____	_____	_____

APPROVED THIS _____ DAY OF _____, 2010

Village President

ATTEST:

Village Clerk
Published in pamphlet form this _____ day of _____, 2010.


COMMITTEE AGENDA ITEM

VILLAGE OF HOFFMAN ESTATES

SUBJECT: Continued Provision of Flexible Spending Accounts-
January 1, 2011 -

MEETING DATE: November 8, 2010

COMMITTEE: General Administration and Personnel

FROM: Patrick J. Seger, Human Resources Management Director 

PURPOSE: To amend the Flexible Benefits plan to appoint Discovery Benefits, Inc. as the Third Party Administrator and to continue with the additional Village depository.

BACKGROUND: In July, 1994, the Village Board authorized the implementation of a medical expense reimbursement and dependent child care reimbursement program and appointed AFLAC as the Third Party Administrator.

The Department of Human Resources Management (HRM) recommended and the Village Board approved a change of Third Party Administrator to HCap Strategies as of January 2005. In May of 2005, HCap Strategies was acquired by WageWorks, Inc. and they have been our Third Party Administrator to date. Due to some concerns regarding customer service and the opportunity to reduce administrative fees and overall costs of the program, a review of proposals from other potential vendors including WageWorks was performed by Gallagher Benefits Services consultants for the Intergovernmental Personnel Benefits Cooperative (IPBC). The analysis concluded that Discovery Benefits, Inc. was the most cost effective in comparison, and is regarding for their quality customer service as experienced by other employer/employees within the IPBC.

DISCUSSION: It is necessary to enter into a formal Plan Document Amendment by a corporate "resolution" under the IRS requirements. The change will require a Village depository for funds amendment as Discovery Benefits, Inc. has agreed to a deduction based funding, with a two (2) month reserve required.

General Administration and Personnel Committee

November 8, 2010

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BUDGET IMPACT: The estimated total annual administrative cost is \$5,940 which is a decrease in expense from WageWorks.

RECOMMEND: That the Village Manager be authorized to enter into a Plan Document Amendment with Discovery Benefits, Inc.



**Flexible Spending Account Vendor Comparisons
Village of Hoffman Estates - Debit Card Included
Effective January 1, 2011**

Vendor	Current Vendor WageWorks	Discovery Benefits	PayFlex
Implementation & Enrollment			
Preparation of Plan Document & SPD	Included	Included	Included
Employee Communication Materials	Included (for standard materials only)	Included (for standard materials only)	Included (for standard materials only)
Group Enrollment Meetings	\$750 per day	\$350 per site, plus travel expenses	\$250 per day, plus travel expenses
Enrollment Processing & Confirmation	Included	Included	Included
Account Administration Services			
Toll-free Info Line	7:00 AM - 5:00 PM EST Monday-Friday	7:30 AM - 7:30 PM CST, Monday - Friday	7:00 AM - 7:00 PM CST, Monday - Friday
Claim Processing Schedule	48 hours of receipt	Two business days	within 48 hours of receipt
Statements to Participants	send paper copy if no e-mail address on file	Included with each reimbursement check, emailed quarterly and mailed annually	Included with each reimbursement check, quarterly can will be sent for an additional fee.
Claim Submission via Facsimile	Included	Included	Included
Direct Deposit	Included	Included	Included
Third Quarter Account Balance Reminder	Included	Included	Included
Status of Account via Internet	Included	Included	Included
Debit Card	Included	Included (\$10 replacement of lost or stolen card)	\$1.50 per enrollee
Regulatory Compliance Services			
Non-Discrimination Testing	1 test per year included	Included (Three quantitative tests annually)	1 test per year included, additional tests \$750
IRS Form 5500	included	Included	Included
Cost Summary			
Annual Fees	\$750.00 renewal fee	0 at current number of enrollee's (see note)	\$750
Monthly Admin Fees - Per Enrollee	\$300 per month plus 5.25 per enrollee	\$4.90 per enrollee	\$4.75 per enrollee (\$250 minimum)
Rate Guarantee	1 year	3 years	1 year
Cost Projections			
Total Monthly Admin Fees*	\$530.25 (based on 101 enrollees)	\$495	\$631
Total Annual Admin Fees	\$6,363.00	\$5,940	\$7,575
Estimated Total Annual Costs**	\$7,413.00	\$5,940	\$8,325
Commission Level	\$0	\$0	\$0

Note - annual fee applies if monthly administrative fee times number of participants for 12 month period is less than \$1000

The analysis is for illustrative purposes only and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

* Cost assumptions based on the number of Village employees currently participating in FSA plan. (101 participants)

** Includes total administration fees and annual fees.

Reimbursement Plan Administrative Services Agreement

This Administrative Services Agreement ("Agreement") is entered into by **Village of Hoffman Estates** ("Employer") and Discovery Benefits, Inc. ("DBI") as of **1/1/2011** ("Effective Date").

Recitals

The Employer has adopted an Internal Revenue Code Section 125 Cafeteria Plan ("125 Plan") for its eligible employees. Employer has also adopted one or more of the following: a health flexible spending arrangement ("Health FSA"), a dependent care flexible spending arrangement ("Dependent Care FSA") (a Health FSA and a Dependent Care FSA shall be referred to collectively as an "FSA"), a limited purpose health flexible spending arrangement ("Limited Health FSA"), an individual premium reimbursement account ("IPA"), a health reimbursement arrangement ("HRA"), a limited purpose health reimbursement arrangement (Limited HRA) and/or a qualified transportation fringe benefit plan under Code Section 132(f) ("Transportation Accounts"). Collectively, the foregoing arrangements and plans shall be referred to as the "Plan".

The Employer desires DBI to assist in the administration of the Plan, and DBI desires to assist the Employer in the administration of the Plan on the terms outlined below.

Therefore, the Employer and DBI agree that DBI shall assist in the administration of the Plan on the following terms:

- The Employer has established the Plan for the exclusive benefit of its employees.
- The Employer is the administrator of the Plan.
- DBI acts as agent on behalf of the Employer.

The Employer remains responsible for maintaining the Plan, including the establishment of eligibility and paying all benefits owed or established under the Plan to its participants; DBI is to provide the agreed upon services to the Plan, without assuming any liability beyond the performance of services as set forth below.

Now therefore, in consideration of good and valuable consideration, the parties agree as follows:

Article 1 - Benefits Administrative Services

Services provided by DBI in the administration of the Plan shall include the following:

1.1 Plan Administration

DBI shall assist the Employer in the administration of the Plan as provided in this Agreement. The specific Plans that DBI shall assist with and that are covered by this Agreement are listed in Exhibit A. If a Plan is not covered by this Agreement as provided in Exhibit A, then DBI shall have no responsibilities or duties with respect to such non-covered Plan. DBI's duties with respect to the Plan shall be limited to those expressly provided in this Agreement or subsequently agreed to in writing by DBI and the Employer.

1.2 Plan Documents

DBI shall assist the Employer in the establishment and operation of the Plan by providing sample documents for review by the Employer's legal counsel, including the applicable plan document(s), summary plan description(s), election forms and other documents relating to the administration of the Plan. It is the Employer's responsibility to ensure that the documents are appropriately completed, are in compliance with the requirements of the Employer's Plan and are appropriately and timely adopted by the Employer.

1.3 Record-Keeping

DBI shall assist the Employer in the development and maintenance of administrative and record-keeping systems for the Plan. The recordkeeping services are listed in Exhibit A.

1.4 Plan Document Compliance

DBI shall maintain the sample plan document, summary plan description and other applicable documentation in compliance with any legal or regulatory requirements or administrative changes. Necessary Plan amendments are made periodically and provided to the Employer for review by the Employer's legal counsel. It is the Employer's responsibility to ensure that the amendments and other revisions are appropriately completed, are in compliance with the requirements of the Employer's Plan and are appropriately and timely adopted by the Employer.

1.5 Reporting Obligations

DBI shall provide general information regarding reporting and disclosure requirements relating to the Plan and shall assist the Employer in the preparation of required governmental reports, information or other documents. DBI shall not be responsible for the accuracy of any information provided by the Employer in preparation of any of these reports nor shall DBI be responsible for

Reimbursement Plan Administrative Services Agreement

determining the level of compliance required by the Employer's Plan. It is the sole responsibility of the Employer to assure compliance with all legal reporting and disclosure requirements.

1.6 Forms

DBI shall provide administrative forms for the Employer's use in administering the Plan. Forms are available on the Internet at www.discoverybenefits.com. Available forms include: Plan Design Guide, File Layout Formats, Enrollment Forms, Reimbursement Request Forms, Employee Termination Forms, Status Change Forms, and check stock. All forms and user guide information shall be subject to periodic updates and revisions. DBI shall also provide instructions and forms for the processing of benefit claims under the Plan. All participants should apply for benefits under the Plan using forms provided by DBI.

1.7 Plan Payments

Using funds received from the Employer, DBI shall pay the amounts due as a result of the operation of the Plan and in compliance with the participant's current Plan elections.

1.8 Claims Processing

DBI shall process claims received from Employer or Plan participants on a daily basis Monday through Friday, during regular business hours. DBI shall arrange for the payment of approved reimbursement requests as provided in the Plan. DBI shall consider any initial claims for benefits made under the Plan, provided the claim is in accordance with the Plan, the summary plan description and any reasonable rules established by DBI and communicated to participants. DBI shall grant or deny each participant's initial claim for benefits after making such investigation, as it deems necessary.

- a. If DBI finds that a participant is entitled to the benefits under the Plan, DBI shall arrange for the proper payment from the Plan, using the funds provided by the Employer.
- b. If DBI finds that a participant is not entitled to benefits under the Plan, DBI shall provide to such participant a written notification of its decision as soon as administratively practicable after the claim was received by DBI, but no later than the time period required by Section 503 of ERISA, if applicable. The written notice shall comply with the requirements set out in the summary plan description and Section 503 of ERISA, if applicable.
- c. DBI shall establish a procedure to receive appeals of initial denials of benefit claims. Employer agrees that Discovery has a fiduciary duty only with respect to determining whether properly presented claims should be accepted or denied. All remaining fiduciary duties under this Agreement are the responsibility of Employer.

1.9 Monthly Reports

DBI shall render reports to the Employer, which include the following:

- Claim Reimbursement Notification – (used for Claims Based funding only)
- Payroll Deduction Report – Based on Payroll Frequency
- Payments Report - Monthly
- Reconciliation Report – Monthly
- Enrollment Report – Monthly
- Account Balance Report - Monthly
- A statement of the fees due to DBI

1.10 Custodial Account

Funds provided to DBI by the Employer for the payment of Plan benefits ("Employer Funds") shall be held in a Custodial Account pursuant to Article 3 of this Agreement.

1.11 Forfeited Funds

Unless otherwise dictated under the terms of the Employer's plan document, all amounts that remain unpaid for a flexible spending account or Transportation account after the end of the period specified by the applicable Plan during which the participant can make a claim, plus any periods for appeal or any claim dispute, shall be immediately forfeited by participant to the Employer, minus any necessary fees and expenses that are owing to DBI pursuant to this Agreement. Any unclaimed amounts, including any previous reimbursement checks or other similar methods of payment that have been issued but remain unendorsed, that remain unpaid after the end of the run-out period selected by the Employer shall be returned to the Employer, minus any necessary fees and expenses that are owing to DBI pursuant to this Agreement.

1.12 Fidelity Bonds

DBI shall maintain a fidelity bond or another similar insurance policy that provides adequate coverage for DBI and any of its agents or employees who may collect, disburse, or otherwise handle or have possession of any funds provided by the Employer or who may have the authority to order disbursements or payments on behalf of the Plan.

Reimbursement Plan Administrative Services Agreement

1.13 Plan Data

DBI agrees to retain for seven years Plan records under this Agreement, including without limitation records of all assets and transactions involving the Custodial Account. However, except as expressly provided in an applicable exhibit, DBI shall not be responsible for storing copies of Plan records after termination of this Agreement and when DBI no longer requires such information in order to provide the services to Employer. Following the Agreement's termination, DBI shall cooperate with Employer (or Employer's subsequent service provider) to affect an orderly transition of services covered by the Agreement.

1.14 Notice of Litigation

DBI shall notify the Employer promptly of any summons, complaint, or other communication concerning threatened litigation and any inquiry by any governmental agency that is related to the Employer's Plan, unless such notification would be a violation of applicable law.

1.15 Confidentiality

DBI shall keep confidential all information it obtains concerning the Plan. Other than in due course of business, such information must not be disclosed without prior approval of the Employer or as otherwise provided for in Article 4.

1.16 No Liability

DBI shall not be liable for any failure or refusal to pay or honor any claim for benefits made pursuant to the Plan and DBI shall be held harmless and is expressly indemnified by the Employer against, and shall be reimbursed by the Employer for any out-of-pocket expenses, loss, damage or attorney fees or other costs incurred by DBI in defending claims or demands made against the Employer, DBI, or the Plan, provided that such failure did not result from the services performed by DBI in accordance with this Agreement.

1.17 Claims Fiduciary

DBI has a fiduciary duty only with respect to determining whether properly presented claims should be accepted or denied. All remaining fiduciary duties under this Agreement are the responsibility of the Employer.

1.18 Disclaimer

DBI shall not be liable or use its funds for the payment of benefits under the Plan, including, without limitation, where sought as damages in an action against the Employer, DBI or the Plan. DBI does not insure or underwrite the Employer's liability to provide benefits under the Plan, and the Employer shall have the sole responsibility and liability for payment of all benefits under the Plan.

1.19 Audit

During the term of this Agreement, and at any time within six (6) months following its termination, the Employer or a mutually agreeable entity may audit DBI to determine whether DBI is fulfilling the terms of this Agreement with respect to processing claims for benefits. The Employer must advise DBI at least 60 days in advance of its intent to audit. The place, time, type, duration, and frequency of all audits must be reasonable and agreed to by DBI. All audits shall be limited to claims information relating to the calendar year in which the audit begins and/or the immediately preceding calendar year. The Employer shall pay or cause to be paid any expenses that it incurs in connection with the audit and shall pay or cause to be paid to DBI a reasonable audit fee that DBI shall determine in good faith in its discretion with reference to the circumstances surrounding the audit. The Employer also shall pay or cause to be paid any unanticipated expenses incurred by DBI and all expenses incurred by DBI on any audit initiated after this Agreement terminates or is otherwise discontinued. Audits will be subject to the following additional requirements:

- a) Audits must be completed within 6 months following the date the audit begins.
- b) The Employer will utilize individuals to conduct audits on its behalf who (i) are qualified by appropriate training and experience for such work; (ii) will perform its review in accordance with published administrative safeguards or procedures against unauthorized use or disclosure (in the audit report or otherwise) of any individually identifiable information (including health care information) contained in the information to be audited; and (iii) will not make or retain any record of payment identifying information concerning treatment of drug or alcohol abuse, mental/nervous or HIV/AIDS or genetic markers, in connection with any audit. There must be no conflict of interest which would prevent the auditor from performing an independent audit. Auditors may not be compensated on the basis of a contingency fee or a percentage of overpayments identified.
- c) Audits are subject to any related proprietary and confidentiality requirements protecting the nature of the data, and before the audit commences the Employer and any independent third party auditor shall execute a confidentiality agreement the scope of which shall be reasonable and shall be determined by DBI.
- d) The Employer shall provide notice of its intent to audit in writing. At least four (4) weeks in advance of commencement of the audit, the Employer or its representative will provide DBI with a complete and accurate listing of the transactions to be pulled for the audit. DBI will communicate any additional requirements to the Employer upon receipt of the completed Audit Request Form.

Reimbursement Plan Administrative Services Agreement

- e) Prior to the audit, the auditors will provide a listing of the transactions selected for testing and the specific service for which each item is being tested. The sample must be based on a statistical random sampling methodology (e.g., systematic random sampling, simple random sampling, stratified random sampling). DBI will provide timely inquiry and feedback at the time of the proposed audit regarding the sample size and sampling methodology as it relates to the objective of the audit proposed by the Employer or its representatives.
- f) The auditors will provide their draft audit findings to DBI, in writing, before a final audit report is presented to the Employer. This draft will provide the basis for discussions between DBI and the auditors to resolve disagreements and summarize the audit findings. DBI shall have a right to review the final Audit Report, before delivery to the Employer. Auditors shall provide DBI with a copy of the final audit report delivered to the Employer and DBI shall have the right to include with the final Audit Report a supplementary statement containing facts that DBI considers pertinent to the audit.

1.20 Red Flag Rule Compliance

To the extent applicable, DBI shall comply with the Red Flag Rules with respect to the Covered Services. For purposes of this provision, (a) "Red Flag Rules" mean the regulations adopted by various federal agencies, including the Federal Trade Commission, in connection with the detection, prevention and mitigation of identity theft, and located at 72 Fed. Reg. 63718 (November 9, 2007), as amended, and (b) "Covered Services" mean the services provided by DBI (if any) with respect to the Plan, as designated in Exhibit A and described in Exhibit C, that allow Plan participants (i) to pay for eligible expenses under the Plan with a debit or other stored-value card, or (ii) to pay for transit fare cards, vouchers, passes, fare media or any other eligible expense under the Transportation Fringe Benefit Plan through Wired Commute or any similar arrangement, and any other services provided by DBI under this Agreement that are covered by the Red Flag Rules, as determined by DBI in its sole discretion.

As a part of the Red Flag Rule compliance, DBI shall adopt, maintain and use appropriate and commercially reasonable rules, procedures and safeguards to detect and identify red flags and to prevent and mitigate identity theft, as required by the Red Flag Rules. Such rules, procedures and safeguards shall be set forth in a written program that complies with the Red Flag Rules (the "Red Flag Program"). DBI shall, upon request, make available to Employer a copy of its Red Flag Program. The parties agree that if a Breach of Unsecured PHI (as defined in the Business Associate Agreement between the parties) and a violation of the Red Flag Rules occur with respect to the same incident, both the Red Flag Rules and the Business Associate Agreement provisions shall apply, except that the notice requirements of the Business Associate Agreement shall satisfy any notice obligations of this section. This section shall be effective January 1, 2011 or such later date on which the FTC shall begin enforcement of the provisions of the Red Flag Rules applicable to the Covered Services; provided, however, this section shall be null and void to the extent action is taken by Congress or a federal agency to exempt the Covered Services (or third party administrators that provide Covered Services) from the Red Flag Rules.

Article 2 - The Employer's Responsibilities

Responsibilities of the Employer in the administration of the Plan shall include the following:

2.1 General Compliance

Although DBI serves as Employer's agent for services rendered pursuant to this Agreement, the Employer remains solely responsible for all Plan activities, including compliance with the Employee Retirement Income Security Act of 1974 ("ERISA"), the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Internal Revenue Code, (the "Code"), or other applicable laws or regulations. Employer agrees to hold DBI harmless (including reasonable attorneys fees and costs) and expressly releases all claims against DBI in connection with any claim or cause of action, for any occurrences prior to the effective date of this Agreement, that results from the failure or alleged failure of Employer (its officers and employees, and any other entity related to or performing services on behalf of Employer) to comply with ERISA, HIPAA, the Code or any other applicable law or the provisions of this Agreement, or its failure to provide DBI with the required information for proper and timely reporting under the MSP secondary payor requirements for Employer's HRA participants.

2.2 Participants

The Employer shall provide DBI with a complete list of all employees eligible to participate in the Plan, and any other demographic and related information that DBI may need to properly administer the Plan pursuant to this Agreement. Employer shall notify DBI on a monthly basis of all changes in its employees eligible to participate in the Plan. Employer shall be responsible to collect and provide to DBI in an electronic format all required information to ensure compliance with the MSP Secondary Payor rules and regulations where DBI acts as a Registered Reporting Entity (RRE) for HRA plans offered by Employer. Employer shall be solely responsible for determining its employees who are eligible to participate in the respective Plans, collecting the requested information from employees and informing DBI of such affected or eligible employees.

2.3 Contributions

The Employer shall contribute funds into the Custodial Account to be used to pay Plan benefits or other Plan expenses as agreed to herein and in accordance with the Plan. Contributions to the Custodial Account shall consist solely of general assets of the Employer. Participant contributions, if any, made by employees to the Plan through salary reduction or otherwise, shall be used to reimburse Employer for contributions advanced by the Employer to pay benefits under the Plan.

Reimbursement Plan Administrative Services Agreement

2.4 Enrollment

The Employer shall assist in the enrollment of the employees in the Plan, cooperate with DBI with regard to proper settlement of the claims and transmit any inquiries pertaining to the Plan to DBI. Late notification of Plan eligibility or incorrect Plan eligibility information provided by the Employer to DBI may result in erroneous Plan benefit payments. In this event, the Employer shall be solely responsible for any such erroneous payment and the Employer shall also be solely responsible for collecting any such erroneous payments from the employee. If there are insufficient Employer funds that are available to restore the erroneous payments or the requested reimbursement of funds would otherwise cause the Minimum Account Balance Deposit to become insufficient, DBI has the right to request immediate restoration of funds from the Employer directly and suspend or terminate all services under this Agreement.

2.5 Amendments

The Employer shall provide DBI with a copy of any contemplated amendment to the Plan no less than thirty (30) days prior to the anticipated amendment effective date. However, under no circumstances should the Employer adopt any amendment that would alter DBI's duties hereunder without prior written consent of DBI.

2.6 Plan Documents

The Employer shall file with the appropriate governmental agencies all required returns, reports, documents and other papers relating to the Plan. The Employer shall distribute to participants all materials and documents as may be necessary or convenient for the operation of the Plan or to satisfy the requirements of applicable law and the Employer shall remain responsible for the final contents of all materials and documents.

2.7 Summary Plan Description

The Employer shall distribute to its employees participating in the Plan a copy of the summary plan description.

2.8 Non-discriminatory Plans

DBI shall run the following three quantitative non-discrimination tests based on information provided by Employer: Section 125 25% Aggregate; Section 129 25% Aggregate and Section 129 55% Average Benefits test. All other non-discrimination tests are the responsibility of the Employer to complete. The Employer agrees to provide DBI with the information it needs to run the three objective discrimination tests for the Plan. Employer shall maintain a non-discriminatory Plan or, initiate any immediate corrective action required in the event the Plan becomes discriminatory.

2.9 Claims Based Funding

If Claims Based Funding is selected (Exhibit A), Employer gives DBI approval to draft applicable amounts from the Employer's United States bank account to the Custodial Account from which disbursements can be made on the Employer's behalf for qualifying expenses, which are otherwise specified by the Employer in its Plan document, or as provided for under the Code.

2.10 Deduction Based Funding

If Deduction Based Funding is selected (Exhibit A), Employer shall establish an initial deposit (known as the "Minimum Account Balance") within the Custodial Account that is equal to at least two months of the projected Plan benefit claims to adequately fund the reasonable needs of the Employer's Plan. If the Employer's account balance falls below the Minimum Account Balance amount, the Employer will be notified of the deficiency and will be further required to fund additional monies until such time the Employer's Minimum Account Balance can be restored. If the Employer fails to immediately restore the Minimum Account Balance once DBI provides written notice of the account's deficiency and demand for restoration, DBI shall have the immediate right to suspend or terminate all services under this Agreement (See "Termination" section below).

2.11 Order Based Funding (Transportation Only)

If Transportation Accounts are selected (Exhibit A), Employer gives DBI approval to draft applicable amounts from the Employer's United States bank account to the Custodial Account from which disbursements can be made on the Employer's behalf for qualifying transportation purchases, which are otherwise specified by the Employer's Plan or as provided for under the Code. Separate automated ACH withdrawals will occur each month for transportation orders placed through the online ordering system and parking cash reimbursements submitted directly to DBI.

2.12 Debit Card Payments

All participants in the Health FSA, Dependent Care FSA or a comprehensive HRA shall automatically receive one debit card. The terms of the debit card provisions shall control and are incorporated as Exhibit C.

2.13 Ownership of Account Assets

All amounts deposited by the Employer within the Custodial Account, as described herein, remain the Employer's general assets. DBI or its representatives shall only be responsible for administering the Employer's funds in accordance with the terms of this Agreement. Amounts deposited by the Employer shall only be disbursed by DBI or any of its designees if it is an allowable expense as determined by the Employer or its representative, or as otherwise required by a court of appropriate jurisdiction.

Reimbursement Plan Administrative Services Agreement

2.14 Employee Fraud

The Employer is solely responsible for making the Plan whole if fraud is committed against the Plan by Plan participants or Employer's employees. DBI shall not be responsible for pursuing or correcting any such actions.

2.15 Reliance by DBI

Employer has authorized and instructed DBI in this Agreement to implement its standard administrative procedures to provide services in accordance with this Agreement. DBI shall be fully protected in relying upon representations by Employer set forth in this Agreement and communications made by or on behalf of Employer in effecting its obligations under this Agreement. Employer and DBI agree that if Employer provides DBI with specific written instructions (in a form acceptable to DBI) to provide services in a manner other than in accordance with DBI standard procedures, DBI may (but need not) comply with Employer's written instructions, provided that, to the extent that DBI complies with such instructions, Employer and not DBI shall be solely responsible for DBI's actions so taken, and Employer agrees to hold DBI harmless (including reasonable attorneys fees and costs) and expressly releases all claims against DBI in connection with any claim or cause of action, which results from or in connection with DBI following Employer's written instructions.

Article 3 - Custodial Account

3.1 Appointment and Acceptance of Custodian

By signing this Agreement, the Employer appoints DBI as custodian of Employer Funds for the purposes and upon the terms and conditions set forth in this Agreement, and DBI accepts such appointment and agrees to act as custodian hereunder and to hold any Employer Funds received by and hereunder in accordance with the terms and conditions set forth in this Agreement.

3.2 Custodial Account

DBI shall open and maintain a depository account (the "Custodial Account") at State Bank & Trust, Fargo, ND (the "Bank") and hold in such account all Employer Funds initially deposited by the Employer plus any additional Employer Funds that may be received from the Employer for the Custodial Account from time to time. For administrative convenience and to reduce costs, DBI shall hold the Employer Funds of the Employer together with similar funds from other employers in a single Custodial

Account. However, DBI shall maintain records as to the exact amount of funds allocated to each employer so that each employer has a legal right to the specific amount of its funds held in the Custodial Account. At all times, the assets comprising each employer's funds in the Custodial Account shall be considered a separate subaccount for purposes of this Agreement. Depending upon the context, the term, "Custodial Account," shall refer to either the separate subaccount for the Employer or all of the subaccounts for all employers in the aggregate.

3.3 Employer Funds

DBI and the Employer intend and agree that all Employer Funds deposited by the Employer within the Custodial Account shall be comprised of and shall remain the Employer's general assets. In no event will Employer deposit funds that constitute or include participant or employee contributions to employee benefit plans, whether made by salary reduction or otherwise, as those terms have their general meanings under ERISA. Except to the extent that outstanding checks have been written or withdrawals made against the Custodial Account balance on behalf of Employer, the Employer Funds may be withdrawn by the Employer at any time, and are subject to Employer's general creditors in the same manner as funds contributed to Employer's ordinary checking accounts. Notwithstanding the forgoing, this Agreement does not alter or eliminate any separate obligation of the Employer to fund and maintain a Minimum Account Balance in the Custodial Account pursuant to Section 2.10 of this Agreement.

3.4 Disbursements

DBI shall make payments or distributions from the Custodial Account in accordance with the framework of policies, interpretations, rules, practices and procedures set forth in the Plan and as otherwise agreed upon or directed by Employer. DBI shall neither have nor shall be deemed to exercise any discretion, control, or authority with respect to the disposition of Employer Funds.

3.5 Compensation

Employer acknowledges and understands that DBI may receive earnings or interest from time to time on the funds held in the Custodial Account and that any such earnings or interest received by DBI on Employer Funds shall be part of DBI's compensation. Employer acknowledges and understands that compensation otherwise charged by DBI for services under the Custodial Agreement would be higher if it did not retain such earnings or interest on these funds. The period during which interest may be earned begins on the date Employer Funds are deposited into the Custodial Account and ends when checks are presented for payment or, in the case of debit card transactions, when debit cards are utilized to pay for qualified medical expenses. Funds shall be disbursed on a first-in-first-out basis.

3.6 Positive Pay

DBI uses a positive pay system to ensure only valid reimbursement checks are processed. Only checks that match the file are processed. Checks remain on the positive pay file for 180 days. An exceptions list is sent to DBI by its bank on a daily basis (Monday through Friday) showing checks presented for payment that do not match the file. Participants with checks that remain outstanding after 180 days will be assessed a \$25 dollar fee or the amount of the check, whichever is less. DBI will waive the fee if the participant sets up direct deposit.

Reimbursement Plan Administrative Services Agreement

3.7 Maintenance of Records

Upon the Employer's written request, DBI shall provide the Employer with information relating to all assets and transactions involving the Custodial Account, including description of all receipts, disbursements and other transactions. Bank charges may apply for providing copies of checks, statements or other certified documentation.

3.8 Resignation of Custodian

DBI may resign from its duties as custodian pursuant to this Article 3 at any time by giving written notice to Employer no less than thirty (30) days prior to the effective date of such resignation; provided, in any event, that such resignation shall not be effective until a successor custodian has been appointed or the assets in the Custodial Account have been returned to Employer.

Article 4 - Confidentiality

Neither party shall disclose Confidential Information of the other party. The receiving party shall use the same degree of care as it uses to protect its own confidential information of like nature, but no less than a reasonable degree of care, to maintain in confidence the confidential information of the disclosing party. The foregoing obligations shall not apply to any information that (a) is at the time of disclosure, or thereafter becomes, part of the public domain through a source other than the receiving party, (b) is subsequently learned from a third party that does not impose an obligation of confidentiality on the receiving party, (c) was known to the receiving party at the time of disclosure, (d) was generated independently by the receiving party, or (e) is required to be disclosed by law, subpoena or other process. DBI may transfer Employer's or the Plan's Confidential Information to a governmental agency or other third party to the extent necessary for DBI to perform its obligations under this Agreement or if Employer has given DBI written authorization to do so. For purposes of this paragraph, Confidential Information shall mean any information identified by either party as "Confidential" and/or "Proprietary", or which, under the circumstances, ought to be treated as confidential or proprietary, including non-public information related to the disclosing party's business, employees, service methods, software, documentation, financial information, prices and product plans. DBI reserves the right to independently use its experience and know-how, including processes, ideas, concepts and techniques developed in the course of performing services under this Agreement.

Article 5 - Term of the Agreement

The term of this Agreement shall commence as of the Effective Date and shall continue for a period of twelve months (the "Initial Term"). This Agreement shall automatically renew for another twelve months at the end of the Initial Term and every twelve (12) months thereafter, unless terminated in writing by either Party within sixty (60) days prior to the end of the Initial Term or prior to the end of any subsequent 12-month term. Notwithstanding the foregoing, DBI reserves the right to increase fees at any time that are caused by Federal postal rate increases, are due to Federal legislative changes or are due to the provision of additional services to the Employer by DBI that were not included in or contemplated by this Agreement on the Effective Date.

Article 6 - Termination of the Agreement

6.1 This Agreement may be terminated by either the Employer or DBI without cause and without liability, by written notice of intention to terminate given to the other party, to be effective as of a date certain set forth in the written notice, which shall not be less than 60 days from the date of such notice. Except as provided in Section 6.4, all obligations of DBI relating to payment of claims under the Employer's Plan will be terminated on the effective date of termination given in the notice regardless of when the claim for such benefits is incurred.

6.2 The Agreement shall automatically terminate:

- a. If any law is enacted or interpreted to prohibit the continuance of this Agreement, upon the effective date of such law or interpretation;
- b. If any monthly administrative fee remains unpaid to DBI beyond thirty (30) days past the due date, upon notification by DBI to the Employer in writing that DBI intends to exercise its option to enforce this provision; or
- c. If at any time the Employer fails to provide funds for the payment of Plan benefits or fails to restore the Minimum Account Balance, upon written notification by DBI.
- d. If Employer fails to provide the required information in a timely manner to ensure compliance with the MSP Secondary Reporting required for HRAs.

6.3 If either party is in default under any provision of this Agreement, the other party may give written notice to the other party of such default. If the defaulting party has not used good faith efforts to cure such breach or default within 30 days after it receives such notice, or if good faith efforts to cure have begun within thirty (30) days but such cure is not completed within 60 days after receipt of the notice, the other party shall have the right by further written notice (the "Termination Notice") to terminate the Agreement as of any future date designated in the Termination Notice.

6.4 When this Agreement is terminated, DBI will immediately cease the performance of any further services under this Agreement unless both parties agree that DBI shall continue performing services during any post-termination "run-out" period. If the Employer engages DBI to administer a post-termination "run-out period" in accordance with the terms of the plan document, DBI will invoice and collect fees based on the fee schedule in place during the regular contract period. Upon receipt of the "run-out fee", DBI will continue the processing of qualifying expense reimbursements and general Plan administration.

Reimbursement Plan Administrative Services Agreement

- 6.5** Upon the completion of the later of the Agreement, or any agreed-upon "run-out period," DBI will cease the processing of any expense reimbursement requests that are in its possession and the Employer shall be immediately responsible for all aspects of its Plan, including the processing of other qualifying expense reimbursements, annual reporting and general plan administration. DBI shall also return any funds in the Custodial Account that have not been used for Plan benefit payments to the Employer, along with any unpaid or other pending payment requests and/or any subsequent reimbursement requests that are received after the date of the specified run-out period. However, the return of such funds shall remain subject to the completion of a final accounting of all account activities, as well as after deduction of applicable fees and other expenses. If necessary, DBI shall have the immediate right to demand and pursue collection of any fees, reimbursements or other amounts that are due and owing to DBI as of the date of termination pursuant to the terms of this Agreement.

Within sixty (60) days after the later of the termination of this Agreement or the applicable run-out period DBI shall prepare and deliver to the Employer a complete and final accounting and report of the financial status of the Plan as of the date of termination, together with all books and records in its possession and control pertaining to the administration of the Plan, all claim files, and all reports and other paper pertaining to the Plan.

Article 7 - Cost of Administration

7.1 Plan Administrative Services Fees

DBI shall be entitled to a fee for its services to the Plan and under this Agreement, which shall be payable in accordance with the fee schedule attached as Exhibit B. Monthly fees will be invoiced monthly and are due within thirty (30) days after invoice.

7.2 Past Due Amounts

Notwithstanding anything in this Agreement or any other agreement between the parties to the contrary, if the Employer fails to pay DBI within the required time period any amount that is due as a result of any product or service provided by DBI to the Employer under this Agreement or any other agreement between the parties, including, without limitation, services provided with respect to flexible spending arrangements, health reimbursement arrangements, qualified Transportation programs or health savings accounts, DBI shall be permitted to deduct the past due amount from any funds provided by the Employer pursuant to this Agreement or any other agreement between the parties which are held by DBI without prior notice and without prior approval of the Employer. This right of offset shall be in addition to any other remedies that DBI may have in this Agreement or any other agreement between the parties with respect to such non-payment, including, without limitation, any right to terminate the Agreement, regardless of whether the past-due amount is paid in full as a result of the offset rights provided herein.

7.3 Participant Definition

Reimbursement Account participants (FSA, HRA and Transportation) are defined as those individuals who are eligible to receive reimbursement from their account based on the employer's plan document. Participant counts for billing purposes are determined on the first business day of each month. Participants that lose eligibility to receive reimbursement after the first business day of a month will be dropped from the count on the following month's invoice.

Article 8 - Miscellaneous Provisions

8.1 Governing Laws

The laws of the State of North Dakota shall govern this Agreement, to the extent they are not inconsistent with or preempted by ERISA, the Internal Revenue Code, or any other applicable federal law.

8.2 Binding Agreements

This Agreement, including any Exhibits attached, constitutes the entire contract between DBI and Employer and no modification or amendment shall be valid unless agreed to in writing by both parties. If there is an inconsistency between the terms of this Agreement and the terms of any prior agreement between the parties, the terms of this Agreement will control, unless otherwise provided in such other agreement. This document may be executed in one or more counterparts, each of which shall be considered an original, but all of which together shall be considered one and the same instrument.

8.3 Final Authority

Employer has total control and discretionary authority over the Plan and the manner in which it is operated. Any amounts deposited by the Employer with DBI under any Plan remain the assets of the Employer. DBI and its representatives are only an agent of the Employer for processing of qualifying expense requests, as provided under this Agreement.

8.4 Plan Fiduciary

Employer agrees that DBI is not the plan administrator, the Named Fiduciary and is not a plan fiduciary under the Plan(s), as such terms are described under ERISA, except as noted under Section 1.17. DBI shall have no power or authority to waive, alter, breach or modify any terms and conditions of the Plan. DBI shall make payments or distributions from the Custodial Account in accordance with the framework of policies, interpretations, rules, practices and procedures set forth in the Plan and as otherwise agreed upon or directed by Employer. DBI shall neither have nor shall be deemed to exercise any discretion, control, or authority with respect to the disposition of Employer funds. DBI agrees that it will perform services on the Plan's behalf, as set forth in this Agreement and any attachments or other exhibits. However, DBI will not undertake any duties or responsibilities, regardless of whether they are set forth in the Plan, if such actions are in violation of any applicable laws or regulations.

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8.5 Successor

In the event of DBI's resignation or inability to serve, the Employer may appoint a successor. Any successor, upon appointment and acceptance, shall succeed to and be invested with all powers conferred on DBI. In such situations, the replacement of DBI shall be considered a termination of this Agreement and the Termination provisions of Article 6 shall remain effective and controlling.

8.6 Tax Obligations

If any tax is assessed against the Plan, and DBI is required to pay that tax, DBI shall report the payment to the Employer and the Employer shall reimburse DBI for the amount of the tax. The Employer is at all times responsible for the tax consequences in the establishment and operation of the Plan.

8.7 Indemnification

Except as expressly provided to the contrary herein, neither DBI nor Employer shall be responsible for any damages to the other under the terms of the Agreement or arising out of their respective responsibilities hereunder, unless such damages directly result from: (i) the failure of one of the parties to fulfill any of its duties under this Agreement, or (ii) the dishonest, fraudulent, or criminal acts of a party, its employees, directors, or officers, acting alone or in collusion with others. Subject to the limitations in Section 8.8, each party will be liable to and will defend, indemnify and hold harmless the other party, and their respective officers, directors, employees, agents, representatives, successors and permitted assigns from and against any and all liability, damages, costs, losses and expenses, including attorneys fees, disbursements and court costs, reasonably incurred by DBI or Employer in connection with any threatened, pending or adjudicated claim, demand, action, suit or proceeding by either party or any third party incurred by reason of or related to (i) such party's breach of any representation, warranty, covenant or agreement applicable to such party hereunder, (ii) such party's failure to perform its obligations hereunder, and (iii) any claim by an employee based on the act or omission of such party with respect to the Employer's Plan; provided, however, that neither party will be liable to the other party for any loss of goodwill, or for special, indirect, incidental, or consequential damages related to or arising from this Agreement.

8.8 Limitation of Remedies

Notwithstanding any other provision in this Agreement to the contrary, including, without limitation, Section 8.7, the maximum total liability of DBI to Employer shall be limited to direct money damages in an amount not to exceed the total amount paid by Employer for the defective service causing the damage during the 12 months immediately preceding the loss. This remedy is Employer's sole and exclusive remedy. DBI shall not be responsible for any special, incidental, consequential, exemplary, or punitive damages even if DBI has knowledge of the possibility of such potential loss or damage. No action under this Agreement may be brought by Employer more than two (2) years after the cause of action has accrued.

8.9 Authority

No person dealing with DBI in relation to the Plan will be obliged to determine DBI's authority to act pursuant to the Agreement. Furthermore the individuals executing this Agreement on behalf of DBI and Employer do each hereby represent and warrant that (a) they are duly authorized by all necessary action to execute this Agreement on behalf of their respective principals, and (b) the execution and delivery of this Agreement and the consummation of the transactions herein provided have been duly approved by Employer and DBI and do not violate any agreements to which Employer or DBI is a party or otherwise bound.

8.10 Intellectual Property

All materials, including, without limitation, documents, forms (including data collection forms provided by DBI), brochures and online content ("Materials") furnished by DBI to Employer are licensed (not sold). Employer is granted a personal, non-transferable and nonexclusive license to use Materials solely for Employer's own internal business use. Employer does not have the right to copy, distribute, reproduce, alter, display, or use these Materials or any DBI trademarks for any other purpose. Employer agrees that (a) it will keep Materials confidential and will use commercially reasonable efforts to prevent and protect the content of Materials from unauthorized use and (b) its license to use Materials ends on the termination date of this Agreement. Upon termination, Employer agrees to destroy Materials or, if requested by DBI, return them to DBI.

8.11 Gender

Where the context of the Agreement requires, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine.

8.12 Amendments

This Agreement may be amended at any time only upon written agreement between the Employer and DBI.

8.13 Notice

DBI shall not be bound by any communication until it has been received at its office at 3216 13th Avenue S, Fargo, ND 58103 or at such other address as it has specified to the Employer. The Employer shall not be bound by any communication until it has been received at the address shown below or such other address as it has specified by Employer to DBI.

8.14 Unenforceability Provision

If any provision of this Agreement is found to be unenforceable, the Agreement's unaffected provisions will remain in effect and the parties will negotiate a mutually acceptable replacement provision consistent with the parties' original intent.

Reimbursement Plan Administrative Services Agreement

8.15 Assignment

Neither party may assign any of its rights, this Agreement or delegate any of its obligations without the prior written consent of the other party.

8.16 Waiver

If either party fails to enforce any right or remedy under this Agreement, that failure is not a waiver of the right or remedy for any other breach or failure by the other party.

8.17 Severability

If any provision of this Agreement is determined by a court to be unenforceable or invalid, such determination shall not affect any other provision, each of which shall be construed and enforced as if such invalid or unenforceable provision were not contained herein.

8.18 Disputes

The parties shall cooperate in good faith to resolve any and all disputes (each, a "Dispute") that may arise under or in connection with this Agreement. The existence or resolution of any Dispute as to a matter shall not reduce or otherwise affect the payment or performance by Employer its obligations under this Agreement as to any other matter, unless pursuant to the terms of any such resolution. Employer and DBI shall attempt in good faith to resolve any Dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. Either party may give the other party written notice of any Dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other party a written response. The notice(s) and the response(s) shall each include (i) a statement of each party's position and a summary of arguments supporting that position, and (ii) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within thirty (30) days after delivery of the disputing party's notice(s), the executives of the parties subject to the dispute shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the Dispute. All reasonable requests for information made by one party to the other will be honored.

8.19 Force Majeure

Neither DBI nor Employer, as applicable under the circumstances, shall be liable or deemed to be in default for failure to perform or delay in performance of any of their respective obligations under this Agreement to the extent that such failure or delay results from any act of God; military operation; terrorist attack; widespread and prolonged loss of use of the Internet; national emergency or government restrictions.

8.20 Relationship of the Parties

The parties agree that in performing their responsibilities under this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between Employer and DBI.

8.21 Survival

The provisions of Section 2.1, Section 2.15, Article 4, Section 6.4, Section 8.7, Section 8.8 and Section 8.10 shall survive the termination of this Agreement.

Authorization

This Agreement, including any attachments or other exhibits, is accepted and agreed to by the parties as of the effective date of this Agreement.

Signed for Employer by:

James H. Norris, Village Manager

Print Name and Title

Signature

1900 Hassell Road, Hoffman Estates, IL 60169

Employer Address (for 8.13 Notice purposes)

Signed for Discovery Benefits by:

Suzanne Rehr, Executive Vice President

Signature

3216 13th Avenue S. Fargo, ND 58103

Reimbursement Plan Administrative Services Agreement

EXHIBIT A

A.1 Covered Plans. The Plans covered by this Agreement include the following:

Plans	Services Included in this Agreement	Service Effective Date (If different from Agreement Effective Date)	Services Not Included in this Agreement
Section 125 Premium Only Plan (POP)	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>
Flexible Spending Accounts (FSA)	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>
Limited Purpose Health FSA (Limited Health FSA)	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/>
Individual Premium Account (IPA)	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/>
Health Reimbursement Arrangement (HRA)	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/>
Limited Purpose HRA (Limited HRA)	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/>
Transportation Fringe Benefit Plan (TSA)	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/>

A.2 Funding Method

- Claims Based
- Deduction Based
- Order Based (TSA Only)

A.3 Debit Card

All FSA participants automatically receive one debit card. Participants in a comprehensive HRA automatically receive one debit card.

A.4 Record-Keeping. The record-keeping services provided by DBI for the Plans, include the following:

Benefits	
Plan Design and Set Up	Included
Web Enrollment	Included
Online Enrollment Presentation (Health FSA and Dependent Care FSA Only)	Included
Employee group meetings	Additional fee
Record-Keeping	
Debit Card (as provided in Exhibit C)	Included
Claims Based, Deduction Based or Order Based Funding (as provided in Exhibit C)	Included
Maintain and update employee FSA/HRA/Transportation Account records	Included
Automatic email to participant when claims received and reimbursement is made	Included
Adjudicate FSA, HRA and Parking/Bicycle Reimbursement Requests	Included
IIAS Compliant Debit Card	Included
Daily processing of reimbursement requests	Included
Issue direct deposit to participant savings or checking accounts	Included
Issue reimbursement checks to participants	Included
Postage for Standard Mailings	Included
Process claims during plan year run-out period	Included
Reconcile records to employer's payroll, if applicable	Included
Administration for 2 ½ month grace period extension, if applicable	Included
Archive records for 7 years	Included
Reporting and Communication – Employer	
Employer Web Portal	Included
Employer Administrative Guide	Included
Daily, weekly and/or monthly reporting available on status of account balances	Included
Consult on interpretation of applicable laws	Included

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Reporting and Communication – Participant	
Employee Administrative Guide	Included
Enrollment Materials	Included
Statement included with each reimbursement check	Included
Communication concerning ineligible claims	Included
Online access to account information 24/7	Included
Online Transportation Plan Transit and Parking Pass ordering system (WiredCommute)	Included
Quarterly emailed statements to participants	Included
Account balance statement sent 60 days prior to end of plan year (FSA Only)	Included
Toll-free customer service line 7:30 a.m. to 7:30 p.m. CST Monday – Friday (From time-to-time and in compliance with applicable federal and state laws, DBI may monitor and/or record calls which are made to and from the customer service line for quality assurance and training purposes, and/or to ensure that DBI's services fully comply with the terms of this Agreement.)	Included
Compliance, Reporting and Disclosure	
Generic Sample plan document (Section 125, FSA and HRA only)	Included
Generic Sample summary plan description	Included
Generic Sample plan document and summary plan description Updates	Included
Information for Annual 5500 Filing (health FSA and HRA)	Included
Section 125 25% Aggregate Non-discrimination Testing	Included
Section 129 55% Average Benefits Non-discrimination Testing	Included
Section 129 25% Aggregate Non-discrimination Testing	Included

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EXHIBIT B Fee Schedule Flexible Benefits Fee Schedule

Annual Renewal Fee	Waived
<i>Monthly Administrative Fee With or without the debit card</i>	\$4.90 per FSA Participant
Additional Cards for Spouse/Dependents	Included
Replacement of Lost/Stolen Debit Card	\$10 per card deducted from FSA balance
Employee Enrollment Meetings	\$350 per day plus expenses
Enrollment Materials	Included for standard materials, unassembled. If requested, assembled kits can be provided at a cost of \$1.25 per kit to assemble without an envelope, \$1.50 per kit to assemble with an envelope.
Electronic Files	Standard file layout included
Plan Document and SPD	Standard Plan Document and SPD included
Postage	Included for standard mailings. Charges apply for overnight and expedited requests, postage and handling for non-standard mailings.
Direct Deposit	Included
Printing	Included for standard materials At cost to create and produce for special printing requests
Stop Payment – Reimbursement Checks	\$25 per stop payment request, deducted from participant's account. Waived if participant enrolls in Direct Deposit.
Rate Guarantee	Three Year
Minimum Annual Fee (applies if the monthly administrative fee times the number of participants for a 12 month period is less than this amount)	\$1000

Fees are quoted net of commissions.

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Exhibit C Debit Card Provisions

To the extent that debit cards (referred to as a "Card" in this Exhibit C) are provided with respect to FSA accounts and/or HRA accounts, the following additional provisions shall apply with respect to the debit card services. Unless otherwise provided below, all of the provisions of the Agreement shall apply to the provision of debit card services as well.

C.1 Definitions

- 1.1 Card Transaction means when the Card is presented for payment of Qualified Services.
- 1.2 For a Health FSA and/or HRA account, Qualified Services include any and all related goods and services within the meaning of the term "medical care" or "medical expense" as defined in Code Section 213 and the rulings and Treasury regulations thereunder to the extent that such goods and services are allowable for the Account in question. Effective January 1, 2011, expenses with respect to over-the-counter medicines or drugs may not be reimbursed or paid by a Card and will not be Qualified Services, except as may be allowed by IRS Notice 2010-59.
- 1.3 Account means the health FSA and/or HRA, as the context requires and as elected by the Employer as part of this Agreement.
- 1.4 Plan Participants or Participants mean Employees that are participating in the Accounts.
- 1.5 Employee means those employees eligible to participate in the Plan.

C.2 General Provisions

- 2.1 All Participants participating in one or more of the Plans shall automatically receive a Card without a separate fee. DBI shall provide additional debit cards requested for a spouse or other dependent over 18 years of age at no additional charge. A charge will apply to replace a lost or stolen card.
- 2.2 DBI shall be responsible to provide administrative services to Participants, including updating Participant records, maintaining accurate account balances and deposit information, activating and deactivating Cards, responding to Participant inquiries and providing appropriate notices of actions taken.
- 2.3 DBI agrees to reasonably ensure compliance with proper use of the Card and take whatever action is necessary to investigate and resolve errors in Card transactions asserted by Participants within five (5) business days.
- 2.4 DBI agrees to cancel, as soon as is practical, access to a Participant's account when a Card is reported as lost or stolen.
- 2.5 DBI agrees, upon notice from Employer of termination or ineligibility of a Participant to, as soon as is practical, deactivate such Participant's Card. Should Employer fail to provide this notice in a timely manner causing payment of ineligible expenses, Employer will be responsible for all costs incurred for subsequent Card transactions made by the terminated or ineligible Participant.
- 2.6 DBI will make available to the Employer, for distribution to the Participants, information as to the proper use of the Card.
- 2.7 Employer agrees to re-credit Participant Accounts by facilitating an after-tax payroll deduction in accordance with applicable law in those instances where the debit card was used to pay for an ineligible expense and the participant failed to reimburse the Plan or offset the amount with an eligible expense.
- 2.8 Employer agrees to notify DBI immediately upon suspicion or confirmation of inappropriate or fraudulent Card use.
- 2.9 The liability for payment of claims falls on the Employer or the Plan Participant. Any additional costs, including administrative costs, shall be paid by the Employer or Plan Participant. In no event shall DBI be responsible for these payments.
- 2.10 Employer agrees to administer the Plan in accordance with the rules and regulations of the Plan and the Agreement.
- 2.11 Employer understands and acknowledges that the origination of ACH transactions to the account must comply with the provisions of U.S. law.

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- 2.12** Employer agrees to provide all information to be included in any reports or other required documents in a timely fashion, as established by the rules of all governmental entities involved with the Plan, including but not limited to the Department of Labor and the Internal Revenue Service.
- 2.13** As provided in Section 2.15 of the Agreement, the Employer has authorized and instructed DBI in this Agreement to implement its standard administrative procedures to provide services in accordance with this Agreement. Such standard administrative procedures may be different for Card Transactions with respect to a health FSA and HRA and with respect to one or more groups of Card Transactions, as determined solely by DBI. Such standard administrative procedures may change without notice, as determined solely by DBI.

C.3 Settlement Provisions

- 3.1** Employer has, in conjunction with this Agreement, executed and delivered an Authorization Agreement for Direct Payment to DBI that, among other things, authorizes the issuer of Cards (the "Issuer") to debit the account ("Account") designated by Employer on such Authorization Agreement for Direct Payment as more fully set forth therein and in this Exhibit C.
- 3.2** All information regarding Employer and its Account in the Authorization Agreement for Direct Payment is true and correct. Employer will provide the Issuer's company ID and routing number to Employer's Depository. If Employer wishes to change the designated Account, Employer must submit the change to Issuer in writing at least ten (10) days before the intended effective date of the change.
- 3.3** Each business day, Issuer is authorized to debit Employer's Account in the amount required to settle all Card Transactions (the "Daily Settlement Amount"). Each business day, collected and available funds in Employer's Account must be greater than or equal to the Daily Settlement Amount for the previous business day.
- 3.4** Notwithstanding whether there are sufficient funds in the Account to pay a debit originated by Issuer, Employer shall reimburse Issuer for all Card Transactions irrespective of whether any authorization for a Card Transaction was made in accordance with the terms of the applicable health or other Employer plan.
- 3.5** If Employer fails to fund the Account to settle with Issuer for Card Transactions, fails to reimburse Issuer for all Card Transactions, or breaches its obligations to Issuer, Issuer may, at its option, suspend or terminate all Cards or change the method by which Employer may settle with Issuer for Card Transactions, including requiring Employer to prefund a settlement account at Issuer.
- 3.6** Employer acknowledges that Issuer is not a party to the agreement between Employer and DBI and Issuer has no obligation or responsibility to process and or adjudicate benefit claims; Issuer's sole role is to issue Cards and to make settlements arising from Card Transactions based solely on information provided to it by the Card processor.
- 3.7** Employer acknowledges that the Issuer shall be deemed to be a third party beneficiary with respect to Section C.3 and C.4. of this Exhibit C will full rights to rely upon and enforce the provisions thereof.

C.4 Other Provisions

- 4.1** Debit card transactions and direct deposit payments will be settled directly to the Employer Account at the depository financial institution designated by Employer and on record with DBI. Changes to Employer Account information must be made by completing a new Authorization Agreement for Direct Payment form (provided by DBI) and submitting it to DBI. Checks are issued from a DBI account. DBI will initiate an ACH from Employer's account equal to the total check and direct deposits issued amounts. This authorization is to remain in full force and effect until DBI and Issuer receive written notification from an authorized representative of its termination in such time and in such manner as to afford DBI, Issuer and Depository a reasonable opportunity to act on it.
- 4.2** If an Issuer's ACH debit is returned for any reason, Employer agrees to pay a fee equal to the greater of one percent (1%) of the failed ACH settlement amount or \$100, which Issuer may debit from the Account. DBI or Issuer may initiate a one-time, non-refundable debit of \$1.00 to test the Account. If a DBI ACH debit is returned for any reason, Employer agrees to pay a fee of \$25.00 per returned ACH.

Business Associate Agreement

This Business Associate Agreement (the "Agreement") is made and entered into effective 1/1/2011 by and between Discovery Benefits, Inc. ("DBI") and Village of Hoffman Estates Health Plan (the "Plan"), which is sponsored by Village of Hoffman Estates (the "Sponsor").

WITNESSETH:

WHEREAS, DBI provides certain administrative services, activities or functions in connection with the Plan; and

WHEREAS, the parties desire to enter into a Business Associate Agreement for the purpose of addressing the "Standards for Privacy of Individually Identifiable Health Information," 45 CFR Part 160 and Part 164, Subparts A and E (the "Privacy Rule"); the "Standards for Electronic Transactions," 45 CFR Part 160, Subpart A, and Part 162, Subpart A and Subparts I through R (the "Electronic Transaction Rule"); and the "Security Standards for the Protection of Electronic Protected Health Information," 45 CFR Part 160, Subpart A, and Part 164, Subparts A and C, (the "Security Rule"); and the privacy and security provisions set forth in the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), contained in Title XIII, Subtitle D of the American Recovery and Reinvestment Act of 2009.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Plan and DBI agree as follows:

Article I – Definitions

- 1.1 "Agent" shall have the meaning given to it in Section 2.5.
- 1.2 "Breach" shall have the meaning given to it by 45 CFR § 164.402.
- 1.3 "Breach Notification Rule" shall mean the "Standards for Breach Notification for Unsecured Protected Health Information," 45 CFR Part 164, Subpart D, as may be revised from time to time by the Secretary.
- 1.4 "Business Associate" shall have the meaning given to it by 45 CFR § 160.103.
- 1.5 "Designated Record Set" shall have the meaning given to it by 45 CFR § 164.501.
- 1.6 "Health Care Operations" shall have the same meaning given to it in 45 CFR § 164.501.
- 1.7 "HIPAA" shall mean, collectively, the Privacy Rule, the Electronic Transaction Rule, the Security Rule, the HITECH Act and/or the HITECH Rules.
- 1.8 "HITECH Act" shall mean the provisions of Title XIII, Subtitle D of the American Recovery and Reinvestment Act of 2009. A reference to a section of the HITECH Act shall also include any HITECH Rules related thereto, including any HITECH Rules that may be issued after the effective date of this Agreement.
- 1.9 "HITECH Rules" shall mean any guidance issued related to the HITECH Act by the Department of Health and Human Services, including the Breach Notification Rule.
- 1.10 "Individual" shall mean the person who is the subject of PHI and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- 1.11 "Individual Rights Requests" shall mean Access Requests, Amendment Requests, Accounting Requests, and requests under Section 3.3.
- 1.12 "Payment" shall have the same meaning given to it in 45 CFR § 164.501.
- 1.13 "PHI" shall mean any information, whether oral or recorded in any form or medium, that – (i) relates to the past, present or future physical or mental condition of an Individual; the provision of health care to an Individual; or the past, present or future payment for the provision of health care to an Individual; and (ii) identifies the Individual or with respect to which there is a reasonable basis to believe the information can be used to identify the Individual.
- 1.14 "Plan Administration Functions" shall have the same meaning given to it in 45 CFR § 164.504.
- 1.15 "Plan Administrator" shall mean the entity, individual, group or committee appointed by the Sponsor, or its successor or successors, who have authority to administer the Plan.
- 1.16 "Privacy Official" shall mean the person designated by the Plan to serve as its privacy official within the meaning of 45 CFR § 164.530(a), and any person to whom the Privacy Official has delegated any of his or her duties or responsibilities.

Business Associate Agreement

- 1.17 "Protected Information" shall mean PHI received from the Plan or created or received by DBI on behalf of the Plan.
- 1.18 "Required by Law" shall have the same meaning given to it in 45 CFR § 164.103.
- 1.19 "Secretary" shall mean the Secretary of the United States Department of Health and Human Services.
- 1.20 "Services" shall mean the activities, functions and/or services that DBI from time to time renders to or on behalf of the Plan to the extent that those activities, functions and/or services are covered by HIPAA.
- 1.21 "Unsecured PHI" shall mean Protected Information that is not secured through the use of a technology or methodology that renders such Protected Information unusable, unreadable or indecipherable to unauthorized individuals as specified in guidance issued pursuant to Section 13402(h) of the HITECH Act, including the Breach Notification Rule.

Article II – Obligations and Activities of DBI

- 2.1 Status of DBI. DBI acknowledges and agrees that it is a Business Associate of the Plan for purposes of the Privacy Rule.
- 2.2 Permitted Uses and Disclosures of Protected Information.
- (a) Permitted Uses. DBI shall not use Protected Information other than as permitted by this Agreement. DBI may use Protected Information – (i) in connection with the performance, management and administration of the Services, (ii) in its capacity as a Business Associate to the Plan for the proper business management and administration of DBI, (iii) in its capacity as a Business Associate to the Plan to carry out DBI's legal responsibilities; (iv) to report violations of law consistent with 45 CFR § 164.502(j); (v) to the extent and for any purpose authorized by an Individual under 45 CFR §164.508; and (vi) for any purpose provided that no data is identifiable and has been de-identified pursuant to 45 CFR §164.514(b). Notwithstanding the foregoing sentence, DBI shall not use Protected Information in any manner that violates the Privacy Rule or the HITECH Act (including the restrictions set forth in Sections 13405(d) and 13406 of the HITECH Act, if applicable), or that would violate the Privacy Rule or the HITECH Act if so used by the Plan.
- (b) Permitted Disclosures. DBI shall not disclose Protected Information other than as permitted by this Agreement. DBI may disclose Protected Information – (i) in connection with the performance, management and administration of the Services; (ii) to report violations of law consistent with 45 CFR § 164.502(j); (iii) to the extent and for any purpose authorized by an Individual under 45 CFR §164.508; and (iv) for any purpose provided that no data is identifiable and has been de-identified pursuant to 45 CFR §164.514(b). In addition, DBI may also disclose Protected Information to a third party in its capacity as a Business Associate to the Plan for the proper business management and administration of DBI and to carry out DBI's legal responsibilities; provided, that the disclosure is Required by Law, or DBI obtains, prior to the disclosure – (1) reasonable assurances from the third party that the Protected Information will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the third party, and (2) an agreement from the third party that the third party will notify DBI immediately of any instances in which it knows the confidentiality of the information has been breached. Further, DBI shall disclose, upon request, Protected Information to the Sponsor for Plan Administration Functions and to designated Sponsor employees (or designated Business Associates of the Plan) who are working for or on behalf of the Plan for purposes of Payment and Health Care Operations (including claims assistance activities) consistent with 45 CFR § 164.506(c)(1). Notwithstanding the foregoing three sentences, DBI shall not disclose Protected Information in any manner that violates the Privacy Rule or the HITECH Act (including the restrictions set forth in Sections 13405(d) and 13406 of the HITECH Act), or that would violate the Privacy Rule or the HITECH Act if so disclosed by the Plan.
- (c) Minimum Necessary. To the extent required by the Privacy Rule, DBI shall only request, use and/or disclose the minimum amount of Protected Information necessary to accomplish the purpose of the request, use and/or disclosure. For this purpose, the determination of what constitutes the minimum necessary amount of Protected Information shall be determined in accordance with Section 164.502(b) of the Privacy Rule, as amended by Section 13405(b) of the HITECH Act.
- (d) Direct Application of Privacy Rules. DBI shall not use and/or disclose Protected Information or provide any Services that require the use and/or disclosure of Protected Information unless such use and/or disclosure directly complies with this Section 2.2 and Section 13404(a) of the HITECH Act.
- (e) GINA Provisions. Notwithstanding subsections (a) through (c) above, from and after the effective date required by the Privacy Rule, DBI shall not use and/or disclose Protected Information that is genetic information for underwriting purposes, as set forth in the final regulations issued pursuant to Section 105 of the Genetic Information Nondiscrimination Act of 2008.
- 2.3 Safeguards. DBI shall maintain and use appropriate and commercially reasonable safeguards to prevent use and/or disclosure of Protected Information other than as permitted or required in this Agreement.
- 2.4 Reports of Prohibited Disclosures. If DBI becomes aware of a disclosure of an Individual's Protected Information by DBI and the disclosure violated the provisions of this Agreement, DBI must inform the Privacy Official regarding the prohibited

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disclosure of the Individual's Protected Information. To the extent that a disclosure described in this Section 2.4 also constitutes a Breach of Unsecured PHI, the provisions of this Section 2.4 shall not apply, but rather the provisions of Section 2.8 shall apply.

- 2.5** Agents. DBI shall require each of its representatives, agents, contractors and subcontractors (collectively, "Agents") to whom DBI provides Protected Information on behalf of the Plan to agree to observe the restrictions on use and disclosure of the Protected Information imposed upon DBI by this Agreement, the Privacy Rule and the HITECH Act.
- 2.6** Access by Secretary. DBI shall make available to the Secretary DBI's internal practices, books and records (including its policies and procedures) relating to DBI's use and disclosure of Protected Information for the purpose of enabling the Secretary to assess the Plan's and/or DBI's compliance with HIPAA. DBI shall inform the Privacy Official of any request sent by the Secretary on behalf of the Plan that is received by DBI, unless it is prohibited by applicable law from doing so.
- 2.7** Mitigation. DBI agrees to mitigate, to the extent practicable, any harmful effect that is known to DBI of a use or disclosure of Protected Information by DBI in violation of the requirements of this Agreement.
- 2.8** Notice of Breach of Unsecured PHI.
- (a) DBI Requirements. Upon DBI's discovery of a Breach of Unsecured PHI by DBI which occurs on or after the Compliance Date (as set forth in subsection (d) below), DBI shall –
- (1) Pursuant to the requirements set forth in subsection (b) below, provide written notice of the Breach, on behalf of the Plan, without unreasonable delay but no later than sixty (60) calendar days following the date the Breach is discovered or such later date as is authorized under 45 CFR § 164.412, to:
 - (i) each Individual whose Unsecured PHI has been, or is reasonably believed by DBI to have been, accessed, acquired, used or disclosed as a result of the Breach;
 - (ii) the media to the extent required under 45 CFR § 164.406; and
 - (iii) the Secretary to the extent required under 45 CFR § 164.408 (unless the Plan has elected to provide this notification and has informed DBI);
 - (2) Pursuant to the requirements set forth in subsection (c) below, provide written notice of the Breach to the Privacy Official, as soon as administratively practicable, but no later than three (3) business days after the Breach is discovered; and
 - (3) If the Breach involves less than 500 individuals, maintain a log or other documentation of the Breach which contains such information as would be required to be included if the log were maintained by the Plan pursuant to 45 CFR § 164.408, and provide such log to the Plan within five (5) business days of the Plan's written request.
- (b) Notice Requirements. This subsection (b) provides the following special rules that shall each be applicable to the provisions of Section 2.8(a)(1) –
- (1) The date that a Breach is discovered shall be determined by DBI, in its sole discretion, in accordance with the Breach Notification Rule.
 - (2) The content, form and delivery of each of the notices required by Section 2.8(a)(1) shall comply in all respects with the breach notification provisions applicable to the Plan, as set forth in the Breach Notification Rule.
 - (3) DBI shall send the notices described in Section 2.8(a)(1)(i) to each Individual using the address on file with DBI (or as may be otherwise provided by the Plan). If the notice to any Individual is returned as undeliverable, DBI shall make one additional attempt to deliver the notice to the Individual using such information as is reasonably available to it, or shall take other action required by the Breach Notification Rule.
 - (4) With respect to notices required under Section 2.8(a)(1)(i) and (ii), DBI and the Privacy Official shall cooperate in all respects regarding the drafting and the content of the notices. To that end, before sending any notice to any Individual or the media under Section 2.8(a)(1)(i) or (ii), DBI shall first provide a draft of the notice to the Privacy Official. The Privacy Official shall have five business days (plus any reasonable extensions) to either approve DBI's draft of the notice or revise the language of the notice. Alternatively, the Privacy Official may elect to draft the notice for review by DBI. Once DBI and the Privacy Official agree on the final content of the notice, DBI shall send the notice to the Individuals and/or the media based on the requirements of the Breach Notification Rule.
- (c) Privacy Official Notice. The notice to the Privacy Official pursuant to Section 2.8(a)(2) shall include the identity of each Individual whose Unsecured PHI was involved in the Breach and a brief description of the Breach. To the extent that DBI does not know the identities of all affected Individuals when it is required to notify the Privacy Official, DBI shall

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provide such information as soon as administratively practicable after such information becomes available. Upon the Plan's written request, DBI shall provide such additional information regarding the Breach as may be reasonably requested from time to time by the Plan.

- (d) Compliance Date. For purposes of this Section 2.8, the "Compliance Date" shall mean February 22, 2010. However, during the period from and after September 23, 2009 and before February 22, 2010, the Plan shall determine the extent to which the provisions of Section 2.8 shall apply, and if the Plan determines that one or more provisions of this Section 2.8 apply to a Breach of Unsecured PHI by DBI during such time period, DBI shall follow the applicable requirements of this Section 2.8.
- (e) Services Agreement. DBI reserves the right to charge reasonable, cost based, fees for sending the notices required by this Section 2.8 where the breach was caused by Employer or Covered Entity and not by DBI. Such fees shall be set forth in the Services agreement or otherwise communicated to the Sponsor.

Article III – Individual Rights Requirements

3.1 Designated Record Sets.

- (a) General. DBI agrees to maintain a Designated Record Set for the Plan in a manner and form that will allow the Plan to provide access and amendment rights to an Individual with respect to the Individual's Protected Information in conformance with 45 CFR §§ 164.524 and 164.526.
- (b) Access Requests. Upon request from the Plan, DBI shall process and respond to a request by an Individual for access to an Individual's Protected Information that is maintained by DBI in a Designated Record Set pursuant to 45 CFR § 164.524 (an "Access Request"). DBI shall respond to such Access Request within the timeframes required by 45 CFR § 164.524 by furnishing such Protected Information to the Plan. Thereafter, the Plan shall be responsible for sending such information to the Individual.
- (c) Amendment Requests. Upon request from the Plan, DBI shall process a request by an Individual for amendments to an Individual's Protected Information that is maintained by DBI in a Designated Record Set pursuant to 45 CFR § 164.526 (an "Amendment Request"). DBI shall process such Amendment Request within the timeframes required by 45 CFR § 164.526.
- (d) Coordination with Privacy Official. DBI shall coordinate and cooperate with the Privacy Official (or any other person designated by the Plan Administrator for this purpose) regarding all processing, recordkeeping and documentation issues relating to Access Requests and Amendment Requests. Notwithstanding the foregoing, DBI shall not be obligated to coordinate with the Privacy Official if an Individual files an Access Request or Amendment Request with DBI and such request is directed solely to DBI.

3.2 Accountings.

- (a) Documentation of Disclosures. DBI agrees to document and maintain a log of any and all disclosures from and after the date required by 45 CFR § 164.528 made by DBI of Protected Information in a manner and form that will allow the Plan to provide to an Individual an accounting of disclosures of the Individual's Protected Information in conformance with 45 CFR § 164.528.
- (b) Accounting Requests. Upon request from the Plan, DBI shall process and respond to a request by an Individual for an accounting of disclosures of an Individual's Protected Information pursuant to 45 CFR § 164.528 (an "Accounting Request"). DBI shall respond to such Accounting Request within the timeframes required by 45 CFR § 164.528 by furnishing such accounting to the Plan. Thereafter, the Plan shall be responsible for sending such information to the Individual.
- (c) Coordination with Privacy Official. DBI shall coordinate and cooperate with the Privacy Official (or any other person designated by the Plan Administrator for this purpose) regarding all processing, recordkeeping and documentation issues relating to Accounting Requests. Notwithstanding the foregoing, DBI shall not be obligated to coordinate with the Privacy Official if an Individual files an Accounting Request with DBI and such request is directed solely to DBI.

3.3 Privacy Protection Requests.

- (a) Restriction Requests on Uses and Disclosures. The Plan and DBI on behalf of the Plan shall not agree to a restriction on the use or disclosure of Protected Information pursuant to 45 CFR § 164.522(a) or Section 13405(a) of the HITECH Act without first consulting with the other party. DBI is not obligated to implement any restriction, if such restriction would hinder Health Care Operations or the Services DBI provides to the Plan, unless such restriction would otherwise be required by Section 13405(a) of the HITECH Act.

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- (b) Confidential Communication Requests. DBI shall implement any reasonable requests by Individuals relating to a request to receive communications of Protected Information by alternative means or at alternative locations to the extent required by 45 CFR § 164.522(b).
- (c) Coordination with Privacy Official. DBI shall coordinate and cooperate with the Privacy Official (or any other person designated by the Plan Administrator for this purpose) regarding all processing, recordkeeping and documentation issues relating to requests under this Section 3.3.

Article IV – Electronic Transaction Rule

- 4.1 Business Associate Requirements. DBI acknowledges that it is a Business Associate of the Plan for purposes of the Electronic Transaction Rule. DBI agrees that it shall comply with all Electronic Transaction Rule requirements that may be applicable to DBI with respect to the Services it provides to and on behalf of the Plan. DBI shall also require each of its Agents to whom DBI provides Protected Information that is received from, or created or received by DBI on behalf of the Plan to comply with the applicable requirements of the Electronic Transaction Rule.
- 4.2 Sponsor Transmissions. Electronic transmissions between DBI and the Sponsor are not required to comply with the Electronic Transaction Rule. Accordingly, the Sponsor hereby represents and warrants that all electronic transmissions with respect to the Plan between the Sponsor (either directly or through its designated agent) and DBI, relating to – (i) enrollment and disenrollment information and (ii) premium payment information, as each are covered by the Electronic Transaction Rule, are sent or received by the Sponsor (either directly or through its designated agent) in the Sponsor's capacity as an employer and are not sent or received by the Plan.

Article V – Obligations of Plan

- 5.1 Privacy Notice. Upon request, the Plan shall provide DBI with a copy of its notice of privacy practices pursuant to 45 CFR § 164.520.
- 5.2 Authorizations. The Plan shall notify DBI of any changes in or revocations of Individual authorizations for use or disclosure of Protected Information to the extent that such changes or revocations may affect DBI's use or disclosure of Protected Information.
- 5.3 Officials. The Plan shall notify DBI of the current name and contact information of the Plan Administrator, the Privacy Official and any other person that has the authority to act on behalf of the Plan with respect to the provisions contained in this Agreement.
- 5.4 Plan Amendments. Sponsor represents that it has amended its Plan documents to include specific provisions to restrict the use or disclosure of PHI and to ensure adequate procedural safeguards and accounting mechanisms for such uses or disclosures, in accordance with the Privacy Rule.
- 5.5 Additional Certification. The Plan represents and warrants that: (a) it has amended its plan documents, in accordance with 45 CFR § 164.504(f), so as to allow the Plan to receive Protected Information; (b) it has received a certification from the Sponsor in accordance with 45 CFR § 164.504(f)(2)(ii), and will provide a copy of such certification to DBI upon request; (c) the plan document amendments permit the Plan to receive Protected Information (including detailed invoices, reports and statements from DBI); and (d) the Plan has determined, through its own policies and procedures and in compliance with Section 13405(b) of the HITECH Act, that the Protected Information that it receives from DBI (including the detailed invoices, reports and statements) contain the minimum information necessary for the Plan to carry out its Payment and Health Care Operations activities.

Article VI – Amendment and Termination

- 6.1 Amendment. No change, modification, or attempted waiver of any of the provisions of this Agreement shall be binding upon any party hereto unless reduced to writing and signed by the party against whom enforcement is sought. DBI agrees to take such action as is necessary to amend this Agreement from time to time as the Plan reasonably determines necessary to comply with HIPAA, or any other applicable law, rule or regulation.
- 6.2 Term. The Term of this Agreement shall be effective on the date first written above (except as otherwise noted herein) and shall terminate when all of the Protected Information received from the Plan, or created or received by DBI on behalf of the Plan, is destroyed in accordance with the Plan's authorization or is returned to the Plan (or its designated agents) pursuant to Section 6.4.
- 6.3 Termination. If one party to this Agreement (the "Non-Breaching Party") has knowledge of a material violation of this Agreement by the other party to this Agreement (the "Breaching Party"), as determined in good faith by the Non-Breaching Party, the Non-Breaching Party shall promptly:

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- (a) Provide an opportunity for the Breaching Party to end and to cure the material violation within a reasonable time specified by the Non-Breaching Party, and if the Breaching Party does not end and cure the material violation within such time (including reasonable extensions that the Non-Breaching Party determines are necessary) to the satisfaction of the Non-Breaching Party, the Non-Breaching Party shall immediately terminate the Services rendered by DBI and any agreement or contract related thereto; or
- (b) If a cure is not possible as determined by the Non-Breaching Party in its sole discretion, the Non-Breaching Party shall immediately terminate the Services rendered by DBI and any agreement or contract related thereto;

provided, however, if neither termination nor cure are feasible, the Non-Breaching Party shall report the material violation to the Secretary.

- 6.4** Effect of Termination. Upon termination pursuant to Section 6.3, the Plan within a reasonable time thereafter shall inform DBI to either destroy or return to the Plan (or any agents designated by the Plan) the Protected Information that DBI and its Agents maintains in any form, and DBI and its Agents shall retain no copies of the Protected Information. However, in many situations DBI maintains one or more backup copies of Protected Information for auditing, data management and other related purposes and DBI has determined that destruction of all copies of Protected Information that it maintains is infeasible. Therefore, after termination of the Services and pursuant to 45 CFR § 164.502(e)(2)(ii)(I), this Agreement shall remain in effect and DBI shall continue to observe and shall ensure that its Agents continue to observe its obligations under this Agreement to the extent copies of the Protected Information are retained by DBI and shall limit further uses and disclosures of Protected Information to the purposes that make its return or destruction infeasible and that are consistent with the Privacy Rule.

Article VII – Electronic Security Standards

- 7.1** Definitions. When used in this Article, the following terms shall have the meanings set forth as follows:

- (a) "Electronic Media" shall have the meaning given to it in 45 CFR § 160.103.
- (b) "Electronic Protected Information" shall mean Protected Information received from the Plan or created or received by DBI on behalf of the Plan that is transmitted by Electronic Media or maintained in Electronic Media.
- (c) "Security Incident" shall have the meaning given to it in 45 CFR § 164.304.

- 7.2** Requirements. Pursuant to 45 CFR § 164.314(a)(2)(i), DBI shall:

- (a) Implement, maintain and document administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Information to the extent required by the Security Rule;
- (b) Report (pursuant to the terms and conditions of Section 7.3) to the Privacy Official (or such other person designated for this purpose) any Security Incident of which DBI becomes aware and which occurred during the applicable reporting period; and
- (c) Require each of its agents (including a subcontractor) to whom DBI provides Electronic Protected Information on behalf of the Plan to agree to implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Information that is provided to the agent to the extent required by the Security Rule.

- 7.3** Reporting Protocols. All reports required by Section 7.2(b) shall be provided pursuant to the terms and conditions specified in this Section.

- (a) Attempted Security Incidents. Reporting for any Security Incident involving the attempted unauthorized access, use, disclosure, modification or destruction of Electronic Protected Information (collectively, an "Attempted Security Incident") shall be provided pursuant to the standard reporting protocols of DBI (as determined by DBI).
- (b) Successful Security Incident. Reporting for any Security Incident involving the successful unauthorized access, use, disclosure, modification or destruction of Electronic Protected Information (collectively, a "Successful Security Incident") shall be provided to the Plan pursuant to the standard reporting protocols of DBI (as determined by DBI); provided, that (i) the reports shall at a minimum include the date of the incident, the parties involved (if known, including the names of Individuals affected), a description of the Successful Security Incident, a description of the Electronic Protected Information involved in the incident and any action taken to mitigate the impact of the Successful Security Incident and/or prevent its future recurrence and (ii) the reports shall satisfy the minimum requirements for Security Incident reporting that may be required from time to time by the Secretary. In addition, Successful Security incidents shall be reported to the Plan as soon as administratively practicable after the occurrence of the incident taking into account the severity and nature of the incident. Notwithstanding the foregoing, the Plan may request details about one or more Successful

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Security Incidents, and DBI shall have 30 days thereafter to furnish the requested information.

(c) Breach of Unsecured PHI. To the extent that a Security Incident described in this Section 7.3 also constitutes a Breach of Unsecured PHI, the provisions of this Section 7.3 shall not apply, but rather the provisions of Section 2.8 shall apply.

- 7.4 Mitigation. DBI agrees to mitigate, to the extent practicable, any harmful effect that is known to DBI relating to any Security Incident.
- 7.5 Access by Secretary. DBI shall make available to the Secretary DBI's internal practices, books and records (including its policies and procedures) relating to the safeguards established by DBI with respect to Electronic Protected Information for the purpose of enabling the Secretary to assess DBI and/or the Plan's compliance with the Security Rule. DBI shall inform the Privacy Official of any request sent by the Secretary on behalf of the Plan that is received by DBI, unless DBI is prevented by applicable law from doing so.
- 7.6 HITECH Act Compliance. With respect to Electronic Protected Information and the requirements set forth in this Article VII, DBI shall directly comply with (a) Section 13401(a) of the HITECH Act, including with respect to the administrative, physical and technical safeguards described in 45 CFR §§ 164.308, 164.310, 164.312 and 164.316 of the Security Rule and (b) Section 13401(c) of the HITECH Act (relating to annual technical safeguard guidance to be issued by the Secretary).

Article VIII – General

- 8.1 Other Agreements. The Plan and DBI acknowledge and affirm that this Agreement is in no way intended to address or cover all aspects of the relationship of the Plan and DBI and of the Services that are rendered by DBI to and on behalf of the Plan. Rather, this Agreement deals only with those matters that are specifically addressed herein. Further, this Agreement supersedes any prior business associate agreements entered into by DBI and the Plan (or any predecessor to the Plan), and shall apply to all Protected Information existing as of the effective date of this Agreement or created or received thereafter while this Agreement is in effect.
- 8.2 Indemnification. Any indemnification relating to violations of this Agreement by DBI or the Plan (or the Sponsor on behalf of the Plan) shall be addressed to the extent applicable by the Services agreement of the parties.
- 8.3 Severability. The provisions of this Agreement shall be severable, and the invalidity or unenforceability of any provision (or part thereof) of this Agreement shall in no way affect the validity or enforceability of any other provisions (or remaining part thereof). If any part of any provision contained in this Agreement is determined by a court of competent jurisdiction, or by any administrative tribunal, to be invalid, illegal or incapable of being enforced, then the court or tribunal shall interpret such provisions in a manner so as to enforce them to the fullest extent of the law.
- 8.4 Interpretation. The provisions of this Agreement shall be interpreted in a manner intended to achieve compliance with HIPAA. Whenever the Agreement uses the term "including" followed by a specific item or items, or there is a passage having a similar effect, such passages of the Agreement shall be construed as if the phrase "without limitation" followed such term (or otherwise applied to such passage in a manner that avoids limitations on its breadth of application). Where the term "and/or" is used in this Agreement, the provision that includes the term shall have the meaning the provision would have if "and" replaced "and/or," but it shall also have the meaning the provision would have if "or" replaced "and/or."
- 8.5 Counterparts. Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument.
- 8.6 Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, assigns and successors in interest. The Plan shall have the right to assign this Agreement to any successor or surviving health plan, and all covenants and agreements hereunder shall inure to the benefit of and be enforceable by any such assignee.
- 8.7 No Third-Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, and nothing herein shall confer, upon any person other than the parties hereto any rights, remedies, obligations or liabilities whatsoever.
- 8.8 Applicable Law. The provisions of this Agreement shall be construed and administered to, and its validity and enforceability determined under HIPAA. To the extent that HIPAA is not applicable in a particular circumstance, the provisions of this Agreement shall be construed and administered to, and its validity and enforceability determined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In the event that HIPAA and ERISA do not preempt state law in a particular circumstance, the laws of the State of North Dakota shall govern.

Business Associate Agreement

Authorization

This Agreement is accepted and agreed to by the parties as of the effective date of this Agreement.

The Sponsor:

Discovery Benefits:

James H. Norris, Village Manager
Print Name and Title

Suzanne Rehr, Executive Vice President

Signature

Signature

1900 Hassell Rd., Hoffman Estates, IL 60169
Sponsor Address

3216 13th Avenue S. Fargo, ND 58103

COMMITTEE AGENDA ITEM VILLAGE OF HOFFMAN ESTATES

SUBJECT: Continued Provision of Flexible Spending Accounts-
January 1, 2006 -

MEETING DATE: November 14, 2005

COMMITTEE: General Administration and Personnel

FROM: Patrick J. Seger, Human Resources Management Director

PURPOSE: To amend the Flexible Benefits Plan to appoint WageWorks, Inc. as the Third Party Administrator and to continue with the additional Village depository.

BACKGROUND: In July, 1994, the Village Board authorized the implementation of a medical expense reimbursement and dependent child care reimbursement with AFLAC as the Third Party Administrator.

The Department of Human Resources Management recommended and the Village Board approved a change of Third Party Administrator to HCap Strategies. In May of 2005, HCap Strategies was acquired by WageWorks, Inc.

DISCUSSION: It is necessary to enter into a formal Plan Document Amendment by a corporate "resolution" under the IRS requirements. The change will not require a Village depository for funds amendment as WageWorks has agreed to continue to use the Village's bank, Charter Bank & Trust. The service and fee structure will remain the same with WageWorks as it was with HCap Strategies.

RECOMMEND: That the Village President be authorized to enter into a Plan Document Amendment with WageWorks, Inc.

AMENDMENT AND RENEWAL FEE SCHEDULE

AMENDMENT TO THE ADMINISTRATIVE SERVICES AGREEMENT BY AND BETWEEN WAGeworks, INC. AND VILLAGE OF HOFFMAN ESTATES ("CLIENT")

This Amendment, effective as of January 1, 2006 ("Effective Date") amends and modifies the service agreement by and between HCap Strategies Corporation ("HCap Strategies") and Client ("Agreement").

WHEREAS, HCap Strategies and Client entered into the Agreement for HCap Strategies to provide certain flexible spending account benefits administration services under Internal Revenue Code Section 125, and

WHEREAS, Client and WageWorks, Inc. ("WageWorks") agree to have WageWorks provide such services beginning on the Effective Date; and

WHEREAS, the parties wish to accept and continue with the Agreement, with the changes as stated herein.

NOW, THEREFORE, BE IT AGREED, that as of the Effective Date:

1. In place of HCap Strategies, Client agrees that WageWorks shall be the contracting party, and WageWorks shall provide substantially similar services under the Agreement, except that Client agrees that WageWorks may use its systems and processes to provide such services;
2. As between them, HCap Strategies and Client shall consider the Agreement to be terminated for convenience as of the Effective Date;
3. All mentions of specifically named vendors and subcontractors in the Agreement are removed;
4. Client agrees to accept and abide by the Funding Arrangement shown in Appendix A
5. For services provided by WageWorks, Client agrees that the monthly service fees will be the New Monthly Rate is \$4.50 per participant per month. This includes:
 - \$3.75 Base per Participant
 - \$0.60 Postage
 - \$0.75 Debit Card

The Current FSA Rate is \$ 3.75 plus postage.

6. The monthly minimum fee shall remain \$100.
7. The annual renewal fee shall remain \$300 plus \$2 per participant. The \$2.00 per participant fee will be waived if enrollment information is submitted in a compatible electronic format.

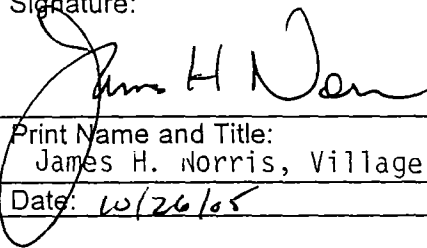
8. WageWorks has the following contact information on record. If this needs updating, please do in the space provided.

	Current Record	Update Record
Contact Name	Francie Hardt	
Contact Phone	847-882-9100	
Contact Email	francie.hardt@hoffmanestates.org	
Broker Agency	Gallagher Benefit Services	
Broker's Name	Dan Parker	GINA WICKLAS

9. WageWorks support several enrollment options. Please indicate the method you will be using this year.

Paper Enrollment Enrollment File WageWorks Web Enrollment

Agreed to by:

For Client:	For WageWorks, Inc.
Signature: 	Signature:
Print Name and Title: James H. Norris, Village Manager	Print Name and Title:
Date: 10/26/05	Date:

Please retain one executed copy for your file and return one copy to WageWorks using fax number: 262-236-1102

VILLAGE OF HOFFMAN ESTATES

Memo

To: Jim Norris
From: Bruce Anderson
Regarding: Cable TV Report
Date: November 3, 2010

Citizen Segments

NSK Ground Breaking, Cost Plus Ribbon Cutting, Receptions honoring the Clerk of the Year and Organ Donation, and Dept of HHS activities.

Citizen Segments and Programs in development:

Recycling Awards
Environmental Awareness Day
Friendship Tree Lighting
Harvest Luncheon
French Cooking

Hispanic Heritage Celebration

This program will run in November.

Police and Fire

An orientation video on the detention area of the Police Department is in production and a video on sizing up fires will be produced for the Fire Department.

Training on the new systems at the Police Department is being taped for Public Works to establish a video library on system operations.

Choral Concert

The HEHS Choral Concert is running in November. We will attempt to tape the District 211 Jazz Concert later this month at Schaumburg HS.

Scouting Panel

This HE museum program will conclude its run in mid November.

Channel 6

A new video server has been installed to replace the old one that was beginning to fail. The new server was put into operation the last week of October. Staff is working with Comcast to try to improve the quality of the picture on Channel 6.

Economic Development Video

A video promoting development in Hoffman Estates and Huntington 90 is being prepared.

Small Business Loans

A Chamber program featuring Congresswoman Melissa Bean talking about the SBA loan program is in production.

Sports

Sports coverage has been suspended until basketball season starts in December.

Complaints/Inquiries

There was one inquiry this month about an unburied cable. There is one inquiry pending resolution.



HOFFMAN ESTATES

DEPARTMENT OF HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES MANAGEMENT DEPARTMENT

Monthly Report

October 2010

Staffing Activity

New Starts: 2 - Alternate Crossing Guards
 Separations: 1 – PW Seasonal
 Transfers: 0
 Retirees: 1- Chief of Police
 Promotions: 0
 Reclassifications: 0
 Change in Status: 0

Staffing:	Full Time Employees	351 budgeted	348 current
	Part Time Employees	49 budgeted	47 current
	Temporary Employees	0 budgeted	0 current
	Seasonal Employees	18 budgeted	0 current
	Paid Interns	3 budgeted	3 current

Month & Year-to-Date Activity:

0 Seasonals with	10 for year
0 Promotions with	0 for year
1 Separations with	19 for year
1 Retirements with	5 for year
0 Transfer with	4 for year

Recruitment Activity

Recruitment: **Auxiliary Snowplow Driver (35-40)**
 Position posted on 10/07/10.
 Position was posted on Village website, cable access channel, social media and electronic Village signs.
 Twenty-six internal candidates identified. Nine returning external candidates applied. Nine new external candidates applied.
 Six interviews scheduled for 11/04/10 with new external candidates.

Alternate Crossing Guard (2)
 Position posted on 09/22/10.
 Position was posted on Village website, cable access channel, and electronic Village signs.
 3 applicants interviewed on 10/05/10.
 Two applicants offered positions and hired on 10/25/10.

Labor/Management Relations

Contract Status: **Police** (Metropolitan Alliance of Police - MAP Chapter 96) –
 Contract (Jan. 1, 2008 - December 31, 2012).

Fire (International Association of Firefighters - Local 2061) –
 Parties tentatively agree to contract (January 1, 2009 – December 31, 2011).

Public Works (International Brotherhood of Teamsters, Local 714) –
 Contract (Jan. 1, 2010 – Dec. 31, 2012).

Police Sergeants (Metropolitan Alliance of Police – MAP-97)
 Contract (Jan. 1, 2009 – December 31, 2013).

Grievances: Two (2) IAFF Local 2061 Grievances
 One (1) Grievance – Awaiting arbitration award.
 One (1) Grievance – Arbitration date pending.

 One (1) MAP 96 Grievance –
 Received arbitrator award by Arbitrator Bierig denying the union's grievance regarding assigning specialty officers to patrol shifts.

Personnel/Benefits/Employee Services

- HR Coordinator attended the Holiday Committee planning meeting.
- HRM Department participated in the Village records disposal event on October 18th.
- Director of HRM met with Management staff regarding workforce planning for the next year.
- Director of HRM participated in the Management Team Meetings.
- HR Coordinator, Risk Manager and Director of HRM continue to refine the 2011 budget performance measures.
- Director of HRM, Deputy Village Manager and Fire administration met with Local 2061 to discuss time due issues.
- Director of HRM attended monthly IPBC meeting.
- HR Coordinator held the Fall benefits enrollment for AFLAC and other benefit providers. Flexible Spending Plan enrollment will be scheduled in November.
- Director of HRM, Risk Manager and HR Coordinator met to discuss budget narratives.
- As Staff Liaison to the Cultural Awareness Committee, the Director of HRM participated in the Hispanic Heritage Day celebration on October 9th.
- As President of IPELRA, Director of HRM hosted the annual IPELRA conference in Galena, IL October 25, 26, and 27.
- As Vice Chair of the IPBC Health Insurance Consortium, Director of HRM participated in the strategic planning session.

Risk Management/Safety/Loss Control

- Continued to facilitate the proper handling of all open workers' compensation claims. Two (2) third party claims administrators are currently being used to administer the Village's workers' compensation claims.
- Conducted a mandatory random Federal Department of Transportation drug and alcohol test. There was one positive result.
- Coordinated the administration of several litigated liability claims being handled by the Village's third party claims administrator.
- Continue to provide consultation related to risk management issues related to the Sears Centre.

- Provided continual written updates to appropriate management staff related to the status of several open workers' compensation claims.
- Spoke with one of the Village's workers' compensation defense attorneys and the third party claims administrator to discuss the disposition of several high exposure workers' compensation claims.
- Continue to coordinate the presentation of diversity and workplace violence training for employees of the Police Department and Village Hall.
- Coordinate the presentation of workplace violence training for employees of at Village Hall. The training will be conducted in November and December of 2010.
- Coordinated the fire inspection of the new police station by the Village's property liability carrier.
- Coordinated the Request for Proposal process for the Village's insurance broker, property and casualty and workers' compensation programs.
- Participated in a webinar concerning the use of functional capacity evaluations in the workers' compensation arena.



Patrick J. Seger
Director of Human Resources Management

EMPLOYER'S CLAIM SERVICE, INC.
POLICY YEAR (12/31 - 12/30) CUMULATIVE CLAIM SUMMARY
 From: 12/31/1999 Through: 10/31/2010

Year	Code	Description		Claim Cnt	% of Total	Med Only	Comp	Open	Clsd	Legl	Avg Cost/ Claim	Paid	Outstanding	Total Incurred	% Of Total
00	102	Planning	(Dept)	1	1.8%	1	0	0	1	0	0.00	0.00		0.00	0.0%
00	1	Community Development	(Sub-Loc)	1	1.8%	1	0	0	1	0	0.00	0.00		0.00	0.0%
00	206	Customer Service	(Dept)	1	1.8%	0	1	0	1	1	3,974.20	3,974.20		3,974.20	1.3%
00	2	Finance	(Sub-Loc)	1	1.8%	0	1	0	1	1	3,974.20	3,974.20		3,974.20	1.3%
00	250	PPO Payments	(Dept)	1	1.8%	1	0	0	1	0	152,127.86	152,127.86		152,127.86	48.7%
00	25	PPO Payments	(Sub-Loc)	1	1.8%	1	0	0	1	0	152,127.86	152,127.86		152,127.86	48.7%
00	300	Administration	(Dept)	1	1.8%	0	1	0	1	0	193.50	193.50		193.50	0.1%
00	301	Fire Suppression	(Dept)	12	21.4%	6	6	1	11	3	8,166.95	92,574.64	5,428.75	98,003.39	31.3%
00	303	Emergency Medical Services	(Dept)	7	12.5%	5	2	0	7	1	2,302.35	16,116.43		16,116.43	5.2%
00	3	Fire	(Sub-Loc)	20	35.7%	11	9	1	19	4	5,715.67	108,884.57	5,428.75	114,313.32	36.6%
00	400	Manager's Office	(Dept)	1	1.8%	0	1	0	1	0	4,452.45	4,452.45		4,452.45	1.4%
00	401	Cable TV	(Dept)	1	1.8%	1	0	0	1	0	260.40	260.40		260.40	0.1%
00	402	Boards & Commissions	(Dept)	1	1.8%	1	0	0	1	0	413.43	413.43		413.43	0.1%
00	4	General Government	(Sub-Loc)	3	5.4%	2	1	0	3	0	1,708.76	5,126.28		5,126.28	1.6%
00	600	Administration	(Dept)	1	1.8%	0	1	0	1	0	0.00	0.00		0.00	0.0%
00	6	Human Resources Management	(Sub-Loc)	1	1.8%	0	1	0	1	0	0.00	0.00		0.00	0.0%
00	700	Patrol	(Dept)	16	28.6%	13	3	0	16	2	1,761.71	28,187.36		28,187.36	9.0%
00	704	Traffic	(Dept)	1	1.8%	1	0	0	1	0	1,159.40	1,159.40		1,159.40	0.4%
00	7	Police	(Sub-Loc)	17	30.4%	14	3	0	17	2	1,726.28	29,346.76		29,346.76	9.4%
00	801	Water & Sewer	(Dept)	4	7.1%	2	2	0	4	0	733.76	2,935.02		2,935.02	0.9%
00	802	Building & Grounds	(Dept)	1	1.8%	0	1	0	1	0	1,411.10	1,411.10		1,411.10	0.5%
00	804	Forestry	(Dept)	5	8.9%	5	0	0	5	0	565.72	2,828.60		2,828.60	0.9%
00	805	Clerical	(Dept)	1	1.8%	1	0	0	1	0	452.50	452.50		452.50	0.1%
00	8	Public Works	(Sub-Loc)	11	19.6%	8	3	0	11	0	693.38	7,627.22		7,627.22	2.4%
00	9	Information Systems	(Sub-Loc)	1	1.8%	1	0	0	1	0	168.50	168.50		168.50	0.1%
00	01	Village of Hoffman Estates	(Loc)	56	100.0%	38	18	1	55	7	5,583.65	307,255.39	5,428.75	312,684.14	100.0%
		Totals for 2000 Claims:		56	100.0%	38	18	1	55	7	5,583.65	307,255.39	5,428.75	312,684.14	100.0%
01	300	Administration	(Dept)	2	3.1%	1	1	0	2	0	538.72	1,077.44		1,077.44	0.1%
01	301	Fire Suppression	(Dept)	8	12.3%	3	5	1	7	2	38,114.77	265,039.41	39,878.75	304,918.16	24.3%

EMPLOYER'S CLAIM SERVICE, INC.
POLICY YEAR (12/31 - 12/30) CUMULATIVE CLAIM SUMMARY
From: 12/31/1999 Through: 10/31/2010

Year	Code	Description		Claim Cnt	% of Total	Med Only	Comp	Open	Clsd	Legl	Avg Cost/ Claim	Paid	Outstanding	Total Incurred	% Of Total
01	303	Emergency Medical Services	(Dept)	7	10.8%	2	5	2	5	4	44,742.27	211,409.20	101,786.72	313,195.92	25.0%
01	304	ESDA	(Dept)	1	1.5%	1	0	0	1	0	425.39	425.39		425.39	0.0%
01	3	Fire	(Sub-Loc)	18	27.7%	7	11	3	15	6	34,423.16	477,951.44	141,665.47	619,616.91	49.4%
01	400	Manager's Office	(Dept)	1	1.5%	1	0	0	1	0	4,374.81	4,374.81		4,374.81	0.3%
01	4	General Government	(Sub-Loc)	1	1.5%	1	0	0	1	0	4,374.81	4,374.81		4,374.81	0.3%
01	505	Immunization	(Dept)	1	1.5%	1	0	0	1	0	391.50	391.50		391.50	0.0%
01	5	Health & Human Services	(Sub-Loc)	1	1.5%	1	0	0	1	0	391.50	391.50		391.50	0.0%
01	700	Patrol	(Dept)	20	30.8%	11	9	0	20	7	10,615.24	212,304.82		212,304.82	16.9%
01	702	Crime Prevention	(Dept)	1	1.5%	1	0	0	1	0	5,663.17	5,663.17		5,663.17	0.5%
01	704	Traffic	(Dept)	3	4.6%	1	2	0	3	2	2,887.00	8,660.99		8,660.99	0.7%
01	707	Records	(Dept)	4	6.2%	1	3	0	4	3	14,372.31	57,489.25		57,489.25	4.6%
01	7	Police	(Sub-Loc)	28	43.1%	14	14	0	28	12	10,147.08	284,118.23		284,118.23	22.7%
01	800	Streets	(Dept)	5	7.7%	3	2	0	5	1	48,719.89	243,599.47		243,599.47	19.4%
01	801	Water & Sewer	(Dept)	4	6.2%	2	2	0	4	1	24,096.40	96,385.58		96,385.58	7.7%
01	802	Building & Grounds	(Dept)	3	4.6%	3	0	0	3	0	422.63	1,267.88		1,267.88	0.1%
01	803	Equipment & Supply	(Dept)	1	1.5%	1	0	0	1	0	210.60	210.60		210.60	0.0%
01	804	Forestry	(Dept)	3	4.6%	2	1	0	3	0	1,150.17	3,450.50		3,450.50	0.3%
01	8	Public Works	(Sub-Loc)	16	24.6%	11	5	0	16	2	21,557.13	344,914.03		344,914.03	27.5%
01	9	Information Systems	(Sub-Loc)	1	1.5%	1	0	0	1	0	301.50	301.50		301.50	0.0%
01	01	Village of Hoffman Estates	(Loc)	65	100.0%	35	30	3	62	20	19,287.95	1,112,051.51	141,665.47	1,253,716.98	100.0%
Totals for 2001 Claims:				65	100.0%	35	30	3	62	20	19,287.95	1,112,051.51	141,665.47	1,253,716.98	100.0%
02	102	Planning	(Dept)	1	2.6%	0	1	0	1	0	28,933.52	28,933.52		28,933.52	3.9%
02	1	Community Development	(Sub-Loc)	1	2.6%	0	1	0	1	0	28,933.52	28,933.52		28,933.52	3.9%
02	301	Fire Suppression	(Dept)	5	13.2%	1	4	0	5	2	11,335.45	56,677.26		56,677.26	7.6%
02	303	Emergency Medical Services	(Dept)	8	21.1%	4	4	0	8	1	7,441.19	59,529.50		59,529.50	7.9%
02	306	Technical Rescue	(Dept)	1	2.6%	0	1	0	1	0	5,830.00	5,830.00		5,830.00	0.8%
02	3	Fire	(Sub-Loc)	14	36.8%	5	9	0	14	3	8,716.91	122,036.76		122,036.76	16.3%
02	700	Patrol	(Dept)	11	28.9%	5	6	1	10	6	24,911.38	266,136.95	7,888.25	274,025.20	36.6%
02	704	Traffic	(Dept)	1	2.6%	0	1	0	1	1	310,828.16	310,828.16		310,828.16	41.5%

EMPLOYER'S CLAIM SERVICE, INC.
POLICY YEAR (12/31 - 12/30) CUMULATIVE CLAIM SUMMARY
From: 12/31/1999 Through: 10/31/2010

Year	Code	Description		Claim Cnt	% of Total	Med Only	Comp	Open	Clsd	Legl	Avg Cost/ Claim	Paid	Outstanding	Total Incurred	% Of Total
02	706	Communication	(Dept)	1	2.6%	1	0	0	1	0	1,777.50	1,777.50		1,777.50	0.2%
02	7	Police	(Sub-Loc)	13	34.2%	6	7	1	12	7	45,125.45	578,742.61	7,888.25	586,630.86	78.3%
02	800	Streets	(Dept)	5	13.2%	4	1	0	5	0	1,511.20	7,556.00		7,556.00	1.0%
02	801	Water & Sewer	(Dept)	2	5.3%	0	2	0	2	0	1,227.90	2,455.80		2,455.80	0.3%
02	803	Equipment & Supply	(Dept)	1	2.6%	1	0	0	1	0	281.70	281.70		281.70	0.0%
02	804	Forestry	(Dept)	2	5.3%	2	0	0	2	0	642.60	1,285.20		1,285.20	0.2%
02	8	Public Works	(Sub-Loc)	10	26.3%	7	3	0	10	0	1,157.87	11,578.70		11,578.70	1.5%
02	01	Village of Hoffman Estates	(Loc)	38	100.0%	18	20	1	37	10	19,715.26	741,291.59	7,888.25	749,179.84	100.0%
Totals for 2002 Claims:				38	100.0%	18	20	1	37	10	19,715.26	741,291.59	7,888.25	749,179.84	100.0%
03	301	Fire Suppression	(Dept)	5	14.3%	2	3	0	5	2	25,542.01	127,710.07		127,710.07	31.2%
03	303	Emergency Medical Services	(Dept)	12	34.3%	9	3	0	12	2	15,553.15	186,637.80		186,637.80	45.7%
03	305	Underwater Rescue	(Dept)	1	2.9%	1	0	0	1	0	785.49	785.49		785.49	0.2%
03	3	Fire	(Sub-Loc)	18	51.4%	12	6	0	18	4	17,507.41	315,133.36		315,133.36	77.1%
03	700	Patrol	(Dept)	7	20.0%	5	2	0	7	1	1,467.76	10,274.35		10,274.35	2.5%
03	701	Investigations	(Dept)	1	2.9%	0	1	0	1	1	79,722.54	79,722.54		79,722.54	19.5%
03	704	Traffic	(Dept)	3	8.6%	1	2	0	3	0	88.33	265.00		265.00	0.1%
03	7	Police	(Sub-Loc)	11	31.4%	6	5	0	11	2	8,205.63	90,261.89		90,261.89	22.1%
03	801	Water & Sewer	(Dept)	3	8.6%	3	0	1	2	0	699.33	2,098.00		2,098.00	0.5%
03	802	Building & Grounds	(Dept)	2	5.7%	2	0	0	2	0	477.00	954.00		954.00	0.2%
03	803	Equipment & Supply	(Dept)	1	2.9%	1	0	0	1	0	310.50	310.50		310.50	0.1%
03	8	Public Works	(Sub-Loc)	6	17.1%	6	0	1	5	0	560.42	3,362.50		3,362.50	0.8%
03	01	Village of Hoffman Estates	(Loc)	35	100.0%	24	11	1	34	6	11,678.79	408,757.75		408,757.75	100.0%
Totals for 2003 Claims:				35	100.0%	24	11	1	34	6	11,678.79	408,757.75		408,757.75	100.0%
04	201	Water Billing	(Dept)	1	2.1%	1	0	0	1	0	1,295.10	1,295.10		1,295.10	0.1%
04	2	Finance	(Sub-Loc)	1	2.1%	1	0	0	1	0	1,295.10	1,295.10		1,295.10	0.1%
04	301	Fire Suppression	(Dept)	10	20.8%	6	4	1	9	2	7,530.42	25,424.98	49,879.25	75,304.23	6.8%
04	303	Emergency Medical Services	(Dept)	11	22.9%	7	4	0	11	0	12,225.62	134,481.79		134,481.79	12.2%
04	3	Fire	(Sub-Loc)	21	43.8%	13	8	1	20	2	9,989.81	159,906.77	49,879.25	209,786.02	19.0%
04	504	Health Screening	(Dept)	1	2.1%	1	0	0	1	0	405.00	405.00		405.00	0.0%

EMPLOYER'S CLAIM SERVICE, INC.
POLICY YEAR (12/31 - 12/30) CUMULATIVE CLAIM SUMMARY
 From: 12/31/1999 Through: 10/31/2010

Year	Code	Description		Claim Cnt	% of Total	Med Only	Comp	Open	Clsd	Legl	Avg Cost/ Claim	Paid	Outstanding	Total Incurred	% Of Total
04	5	Health & Human Services	(Sub-Loc)	1	2.1%	1	0	0	1	0	405.00	405.00		405.00	0.0%
04	600	Administration	(Dept)	1	2.1%	1	0	0	1	0	248.68	248.68		248.68	0.0%
04	6	Human Resources Management	(Sub-Loc)	1	2.1%	1	0	0	1	0	248.68	248.68		248.68	0.0%
04	700	Patrol	(Dept)	16	33.3%	12	4	1	15	4	42,269.60	656,782.20	19,531.40	676,313.60	61.4%
04	703	Tactical	(Dept)	2	4.2%	2	0	0	2	0	137.84	275.68		275.68	0.0%
04	7	Police	(Sub-Loc)	18	37.5%	14	4	1	17	4	37,588.29	657,057.88	19,531.40	676,589.28	61.4%
04	800	Streets	(Dept)	3	6.3%	1	2	0	3	2	43,878.25	131,634.74		131,634.74	11.9%
04	801	Water & Sewer	(Dept)	1	2.1%	1	0	0	1	0	0.00	0.00		0.00	0.0%
04	803	Equipment & Supply	(Dept)	1	2.1%	0	1	0	1	1	81,422.11	81,422.11		81,422.11	7.4%
04	804	Forestry	(Dept)	1	2.1%	1	0	0	1	0	481.50	481.50		481.50	0.0%
04	8	Public Works	(Sub-Loc)	6	12.5%	3	3	0	6	3	35,589.73	213,538.35		213,538.35	19.4%
04	01	Village of Hoffman Estates	(Loc)	48	100.0%	33	15	2	46	9	22,955.47	1,032,451.78	69,410.65	1,101,862.43	100.0%
Totals for 2004 Claims:				48	100.0%	33	15	2	46	9	22,955.47	1,032,451.78	69,410.65	1,101,862.43	100.0%
05	301	Fire Suppression	(Dept)	6	11.3%	4	2	0	6	0	1,012.80	6,076.77		6,076.77	1.9%
05	303	Emergency Medical Services	(Dept)	20	37.7%	12	8	2	18	3	13,718.25	233,553.40	40,811.53	274,364.93	84.6%
05	3	Fire	(Sub-Loc)	26	49.1%	16	10	2	24	3	10,786.22	239,630.17	40,811.53	280,441.70	86.5%
05	504	Health Screening	(Dept)	1	1.9%	1	0	0	1	0	184.50	184.50		184.50	0.1%
05	5	Health & Human Services	(Sub-Loc)	1	1.9%	1	0	0	1	0	184.50	184.50		184.50	0.1%
05	700	Patrol	(Dept)	7	13.2%	5	2	0	7	1	3,015.10	21,105.71		21,105.71	6.5%
05	701	Investigations	(Dept)	1	1.9%	1	0	0	1	0	297.00	297.00		297.00	0.1%
05	704	Traffic	(Dept)	1	1.9%	1	0	0	1	0	1,186.85	1,186.85		1,186.85	0.4%
05	707	Records	(Dept)	1	1.9%	0	1	0	1	1	10,253.45	10,253.45		10,253.45	3.2%
05	7	Police	(Sub-Loc)	10	18.9%	7	3	0	10	2	3,284.30	32,843.01		32,843.01	10.1%
05	800	Streets	(Dept)	4	7.5%	4	0	0	4	0	627.99	2,511.94		2,511.94	0.8%
05	801	Water & Sewer	(Dept)	5	9.4%	5	0	0	5	0	1,066.50	5,332.50		5,332.50	1.6%
05	802	Building & Grounds	(Dept)	1	1.9%	1	0	0	1	0	437.00	437.00		437.00	0.1%
05	803	Equipment & Supply	(Dept)	2	3.8%	2	0	0	2	0	697.05	1,394.10		1,394.10	0.4%
05	804	Forestry	(Dept)	4	7.5%	3	1	0	4	0	259.88	1,039.50		1,039.50	0.3%
05	8	Public Works	(Sub-Loc)	16	30.2%	15	1	0	16	0	669.69	10,715.04		10,715.04	3.3%

EMPLOYER'S CLAIM SERVICE, INC.
POLICY YEAR (12/31 - 12/30) CUMULATIVE CLAIM SUMMARY
 From: 12/31/1999 Through: 10/31/2010

Year	Code	Description		Claim Cnt	% of Total	Med Only	Comp	Open	Clsd	Legl	Avg Cost/ Claim	Paid	Outstanding	Total Incurred	% Of Total
05	01	Village of Hoffman Estates	(Loc)	53	100.0%	39	14	2	51	5	6,116.68	283,372.72	40,811.53	324,184.25	100.0%
Totals for 2005 Claims:				53	100.0%	39	14	2	51	5	6,116.68	283,372.72	40,811.53	324,184.25	100.0%
06	201	Water Billing	(Dept)	1	1.8%	0	1	0	1	0	1,527.37	1,527.37		1,527.37	0.1%
06	2	Finance	(Sub-Loc)	1	1.8%	0	1	0	1	0	1,527.37	1,527.37		1,527.37	0.1%
06	301	Fire Suppression	(Dept)	9	16.1%	5	4	0	9	2	38,029.36	342,264.26		342,264.26	31.0%
06	303	Emergency Medical Services	(Dept)	14	25.0%	7	7	3	11	4	40,636.37	421,832.60	147,076.53	568,909.13	51.5%
06	3	Fire	(Sub-Loc)	23	41.1%	12	11	3	20	6	39,616.23	764,096.86	147,076.53	911,173.39	82.5%
06	700	Patrol	(Dept)	17	30.4%	11	6	1	16	3	4,087.87	65,654.42	3,839.35	69,493.77	6.3%
06	701	Investigations	(Dept)	1	1.8%	1	0	0	1	0	0.00	0.00		0.00	0.0%
06	703	Tactical	(Dept)	4	7.1%	3	1	0	4	0	2,311.32	9,245.26		9,245.26	0.8%
06	704	Traffic	(Dept)	2	3.6%	2	0	0	2	0	3,850.97	7,701.94		7,701.94	0.7%
06	707	Records	(Dept)	1	1.8%	0	1	0	1	1	24,709.39	24,709.39		24,709.39	2.2%
06	7	Police	(Sub-Loc)	25	44.6%	17	8	1	24	4	4,446.01	107,311.01	3,839.35	111,150.36	10.1%
06	800	Streets	(Dept)	1	1.8%	1	0	0	1	0	4,201.51	4,201.51		4,201.51	0.4%
06	801	Water & Sewer	(Dept)	2	3.6%	1	1	0	2	0	112.50	225.00		225.00	0.0%
06	802	Building & Grounds	(Dept)	1	1.8%	0	1	0	1	0	70,689.99	70,689.99		70,689.99	6.4%
06	804	Forestry	(Dept)	3	5.4%	3	0	0	3	0	2,038.90	6,116.71		6,116.71	0.6%
06	8	Public Works	(Sub-Loc)	7	12.5%	5	2	0	7	0	11,604.74	81,233.21		81,233.21	7.4%
06	01	Village of Hoffman Estates	(Loc)	56	100.0%	34	22	4	52	10	19,733.65	954,168.45	150,915.88	1,105,084.33	100.0%
Totals for 2006 Claims:				56	100.0%	34	22	4	52	10	19,733.65	954,168.45	150,915.88	1,105,084.33	100.0%
07	301	Fire Suppression	(Dept)	9	18.8%	7	2	2	7	2	42,481.57	244,391.40	137,942.70	382,334.10	59.4%
07	303	Emergency Medical Services	(Dept)	7	14.6%	6	1	1	6	1	4,290.48	12,293.01	17,740.35	30,033.36	4.7%
07	3	Fire	(Sub-Loc)	16	33.3%	13	3	3	13	3	25,772.97	256,684.41	155,683.05	412,367.46	64.1%
07	600	Administration	(Dept)	1	2.1%	0	1	0	1	0	0.00	0.00		0.00	0.0%
07	6	Human Resources Management	(Sub-Loc)	1	2.1%	0	1	0	1	0	0.00	0.00		0.00	0.0%
07	700	Patrol	(Dept)	10	20.8%	6	4	0	10	2	5,390.95	53,909.49		53,909.49	8.4%
07	703	Tactical	(Dept)	2	4.2%	2	0	0	2	0	356.16	712.31		712.31	0.1%
07	704	Traffic	(Dept)	4	8.3%	2	2	0	4	1	4,376.80	17,507.19		17,507.19	2.7%
07	7	Police	(Sub-Loc)	16	33.3%	10	6	0	16	3	4,508.06	72,128.99		72,128.99	11.2%

EMPLOYER'S CLAIM SERVICE, INC.
POLICY YEAR (12/31 - 12/30) CUMULATIVE CLAIM SUMMARY
 From: 12/31/1999 Through: 10/31/2010

Year	Code	Description		Claim Cnt	% of Total	Med Only	Comp	Open	Clsd	Legl	Avg Cost/ Claim	Paid	Outstanding	Total Incurred	% Of Total
07	800	Streets	(Dept)	3	6.3%	2	1	0	3	1	8,294.56	24,883.69		24,883.69	3.9%
07	801	Water & Sewer	(Dept)	4	8.3%	4	0	0	4	0	1,093.37	4,373.47		4,373.47	0.7%
07	802	Building & Grounds	(Dept)	1	2.1%	1	0	0	1	0	743.84	743.84		743.84	0.1%
07	803	Equipment & Supply	(Dept)	3	6.3%	3	0	0	3	0	1,148.10	3,444.30		3,444.30	0.5%
07	804	Forestry	(Dept)	4	8.3%	3	1	0	4	1	31,316.73	125,266.90		125,266.90	19.5%
07	8	Public Works	(Sub-Loc)	15	31.3%	13	2	0	15	2	10,580.81	158,712.20		158,712.20	24.7%
07	01	Village of Hoffman Estates	(Loc)	48	100.0%	36	12	3	45	8	13,400.18	487,525.60	155,683.05	643,208.65	100.0%
Totals for 2007 Claims:				48	100.0%	36	12	3	45	8	13,400.18	487,525.60	155,683.05	643,208.65	100.0%
08	200	Accounting	(Dept)	1	1.6%	1	0	0	1	0	0.00	0.00		0.00	0.0%
08	206	Customer Service	(Dept)	1	1.6%	0	1	0	1	0	0.00	0.00		0.00	0.0%
08	2	Finance	(Sub-Loc)	2	3.1%	1	1	0	2	0	0.00	0.00		0.00	0.0%
08	300	Administration	(Dept)	1	1.6%	1	0	0	1	0	3,466.28	3,466.28		3,466.28	0.6%
08	301	Fire Suppression	(Dept)	14	21.9%	11	3	1	13	1	1,805.58	21,286.63	3,991.53	25,278.16	4.7%
08	303	Emergency Medical Services	(Dept)	22	34.4%	17	5	2	20	3	11,466.08	216,334.83	35,918.95	252,253.78	46.5%
08	3	Fire	(Sub-Loc)	37	57.8%	29	8	3	34	4	7,594.55	241,087.74	39,910.48	280,998.22	51.8%
08	400	Manager's Office	(Dept)	1	1.6%	0	1	0	1	0	0.00	0.00		0.00	0.0%
08	4	General Government	(Sub-Loc)	1	1.6%	0	1	0	1	0	0.00	0.00		0.00	0.0%
08	700	Patrol	(Dept)	7	10.9%	4	3	1	6	3	9,369.12	58,079.87	7,503.95	65,583.82	12.1%
08	701	Investigations	(Dept)	1	1.6%	0	1	0	1	1	80,561.35	80,561.35		80,561.35	14.9%
08	703	Tactical	(Dept)	2	3.1%	2	0	0	2	0	953.81	1,907.61		1,907.61	0.4%
08	704	Traffic	(Dept)	1	1.6%	0	1	0	1	0	8,049.19	8,049.19		8,049.19	1.5%
08	705	Canine	(Dept)	1	1.6%	1	0	0	1	0	5,940.13	5,940.13		5,940.13	1.1%
08	7	Police	(Sub-Loc)	12	18.8%	7	5	1	11	4	13,503.51	154,538.15	7,503.95	162,042.10	29.9%
08	800	Streets	(Dept)	5	7.8%	4	1	0	5	0	661.38	3,306.90		3,306.90	0.6%
08	801	Water & Sewer	(Dept)	5	7.8%	4	1	0	5	0	410.40	2,052.00		2,052.00	0.4%
08	804	Forestry	(Dept)	2	3.1%	1	1	0	2	1	46,969.21	93,938.41		93,938.41	17.3%
08	8	Public Works	(Sub-Loc)	12	18.8%	9	3	0	12	1	8,274.78	99,297.31		99,297.31	18.3%
08	01	Village of Hoffman Estates	(Loc)	64	100.0%	46	18	4	60	9	8,474.03	494,923.20	47,414.43	542,337.63	100.0%
Totals for 2008 Claims:				64	100.0%	46	18	4	60	9	8,474.03	494,923.20	47,414.43	542,337.63	100.0%

EMPLOYER'S CLAIM SERVICE, INC.
POLICY YEAR (12/31 - 12/30) CUMULATIVE CLAIM SUMMARY
From: 12/31/1999 Through: 10/31/2010

Year	Code	Description		Claim Cnt	% of Total	Med Only	Comp	Open	Clsd	Legl	Avg Cost/ Claim	Paid	Outstanding	Total Incurred	% Of Total
09	300	Administration	(Dept)	2	3.8%	1	1	0	2	0	1,583.20	3,166.40		3,166.40	0.5%
09	301	Fire Suppression	(Dept)	14	26.4%	11	3	1	13	0	4,673.22	65,325.31	99.75	65,425.06	9.5%
09	303	Emergency Medical Services	(Dept)	20	37.7%	13	7	5	15	3	17,490.42	275,493.41	74,314.90	349,808.31	50.8%
09	3	Fire	(Sub-Loc)	36	67.9%	25	11	6	30	3	11,622.22	343,985.12	74,414.65	418,399.77	60.7%
09	600	Administration	(Dept)	1	1.9%	0	1	1	0	1	17,647.20	4,135.00	13,512.20	17,647.20	2.6%
09	6	Human Resources Management	(Sub-Loc)	1	1.9%	0	1	1	0	1	17,647.20	4,135.00	13,512.20	17,647.20	2.6%
09	700	Patrol	(Dept)	8	15.1%	2	6	2	6	4	22,630.13	90,358.54	90,682.51	181,041.05	26.3%
09	704	Traffic	(Dept)	1	1.9%	1	0	0	1	0	2,457.38	2,457.38		2,457.38	0.4%
09	707	Records	(Dept)	1	1.9%	1	0	0	1	0	0.00	0.00		0.00	0.0%
09	7	Police	(Sub-Loc)	10	18.9%	4	6	2	8	4	18,349.84	92,815.92	90,682.51	183,498.43	26.6%
09	800	Streets	(Dept)	1	1.9%	0	1	1	0	0	62,437.22	40,070.12	22,367.10	62,437.22	9.1%
09	801	Water & Sewer	(Dept)	2	3.8%	2	0	0	2	0	592.65	1,185.30		1,185.30	0.2%
09	803	Equipment & Supply	(Dept)	1	1.9%	0	1	0	1	0	4,634.90	4,634.90		4,634.90	0.7%
09	804	Forestry	(Dept)	2	3.8%	2	0	0	2	0	551.70	1,103.40		1,103.40	0.2%
09	8	Public Works	(Sub-Loc)	6	11.3%	4	2	1	5	0	11,560.14	46,993.72	22,367.10	69,360.82	10.1%
09	01	Village of Hoffman Estates	(Loc)	53	100.0%	33	20	10	43	8	12,998.23	487,929.76	200,976.46	688,906.22	100.0%
Totals for 2009 Claims:				53	100.0%	33	20	10	43	8	12,998.23	487,929.76	200,976.46	688,906.22	100.0%
10	250	PPO Payments	(Dept)	1	4.0%	1	0	1	0	0	19,486.65	19,486.65		19,486.65	8.1%
10	25	PPO Payments	(Sub-Loc)	1	4.0%	1	0	1	0	0	19,486.65	19,486.65		19,486.65	8.1%
10	301	Fire Suppression	(Dept)	7	28.0%	3	4	4	3	0	4,321.46	21,612.02	8,638.17	30,250.19	12.6%
10	303	Emergency Medical Services	(Dept)	5	20.0%	3	2	2	3	1	19,585.52	40,698.44	57,229.16	97,927.60	40.9%
10	3	Fire	(Sub-Loc)	12	48.0%	6	6	6	6	1	10,681.48	62,310.46	65,867.33	128,177.79	53.6%
10	700	Patrol	(Dept)	7	28.0%	4	3	4	3	1	11,942.52	32,508.97	51,088.65	83,597.62	34.9%
10	7	Police	(Sub-Loc)	7	28.0%	4	3	4	3	1	11,942.52	32,508.97	51,088.65	83,597.62	34.9%
10	800	Streets	(Dept)	3	12.0%	2	1	1	2	0	251.71	755.12		755.12	0.3%
10	802	Building & Grounds	(Dept)	1	4.0%	1	0	1	0	0	541.00	541.00		541.00	0.2%
10	804	Forestry	(Dept)	1	4.0%	0	1	1	0	0	6,722.00	490.00	6,232.00	6,722.00	2.8%
10	8	Public Works	(Sub-Loc)	5	20.0%	3	2	3	2	0	1,603.62	1,786.12	6,232.00	8,018.12	3.4%
10	01	Village of Hoffman Estates	(Loc)	25	100.0%	14	11	14	11	2	9,571.21	116,092.20	123,187.98	239,280.18	100.0%

EMPLOYER'S CLAIM SERVICE, INC.
POLICY YEAR (12/31 - 12/30) CUMULATIVE CLAIM SUMMARY
 From: 12/31/1999 Through: 10/31/2010

Year Code	Description	Claim Cnt	% of Total	Med Only	Comp	Open	Clsd	Legl	Avg Cost/ Claim	Paid	Outstanding	Total Incurred	% Of Total
Totals for 2010 Claims:		25	100.0%	14	11	14	11	2	9,571.21	116,092.20	123,187.98	239,280.18	100.0%
250	Village of Hoffman Estates	541		350	191	45	496	94	13,621.45	6,425,819.95	943,382.45	7,369,202.40	
				Open Medical:		6							
				Open Comp:		12							
				Open Legal:		27							

HUMAN RESOURCES MANAGEMENT MONTHLY STAFFING REPORT October 2010

RECRUITMENTS

POSITION TITLE: Auxiliary Snowplow Drivers (35-40 positions)
DEPARTMENT: Public Works
DATE POSTED: 10/07/10
AD DEADLINE: until filled
APPLICATIONS REC'D: 26 internal applications, 9 returning driver applications, 9 new external candidate applications
STATUS: Position posted on Village website, cable access channel, social media and electronic Village signs. Twenty-six internal candidates identified. Nine returning external candidates applied. Nine new external candidates applied. Six interviews scheduled for 11/04/10 with new external candidates.

NEW STARTS

POSITION TITLE: Alternate Crossing Guard
DEPARTMENT: Police
DATE POSTED: 09/22/10
AD DEADLINE: until filled
APPLICATIONS REC'D: 7
STATUS: Three interviewed on 10/05/10. Two hired on 10/25/10.

SUMMARY OF EMPLOYMENT ACTIVITY October 2010

	<u>Total Number</u>	<u>Position</u>
New Starts	2	Alternate Crossing Guard
Separations	1	PW Seasonal
Promotions	0	

Upgrades	0	
Downgrades	0	
Transfers	0	
Retirements	1	Chief of Police
Reclassifications	0	

SUMMARY OF UNPAID INTERNS/ADDITIONAL ACTIVITY

Unpaid Internships

1 GG Cable TV Production Intern (Unpaid) began 10/03/10.

Additional Activity

(See HRM Employment Activity Report attached for details)

ANTICIPATED ACTIVITY NEXT MONTH

	<u>Total Number</u>	<u>Position</u>
New Starts	5	Auxiliary Snowplow Drivers
Separations	0	
Promotions	0	
Transfers	0	
Reclassifications	0	
Changes in Status	0	
Retirements	1	Administrative Assistant
New Positions	0	
Eliminated Positions	0	

2010 EMPLOYEE COUNT

	<u>Budgeted</u>	<u>Actual</u>
FULL TIME EMPLOYEES	351	348
PART TIME EMPLOYEES	49	47
TEMPORARY EMPLOYEES	0	0
SEASONAL EMPLOYEES	18	0
INTERNS (PAID)	3	3
TOTAL	421	398

Total Vacancies:

Full Time

Budgeted – Posted 0

Budgeted - Not Posted 3

Chief of Police
Police Lieutenant
Administrative Assistant

TOTAL FULL TIME 3

Part Time

Budgeted-Not Posted 2

HR Generalist – PT
PT Custodian

TOTAL PART TIME 2

RECRUITMENT ACTIVITY

	<u>Month</u>	<u>Year To Date</u>
Full Time – Response to Recruitments	0	7
Part Time – Response to Recruitments	3	18
Seasonal Applicants	9	55
Unsolicited Applications/Walk-Ins	6	163
TOTAL	18	243

**HUMAN RESOURCES MANAGEMENT
EMPLOYMENT ACTIVITY**

October 2010

NEW HIRES

<u>Name</u>	<u>Date of Hire</u>	<u>Position</u>	<u>Replacement for</u>
Merlin Meyrick	10/25/2010	Alternate Crossing Guard	Nancy Johnson
Lisa Seijko	10/25/2010	Alternate Crossing Guard	Angelo Lazzerini

SEPARATIONS

<u>Name</u>	<u>Termination Date</u>	<u>Position</u>	<u>Reason</u>
Clinton Herdegen	10/01/2010	Chief of Police	Retired
Johnny Matthews	10/08/2010	PW Seasonal	End of Season

PROMOTIONS

<u>Name</u>	<u>Effective Date</u>	<u>Current Position</u>	<u>New Position</u>
N/A			

TRANSFERS

<u>Name</u>	<u>Effective Date</u>	<u>Current Position</u>	<u>New Position</u>
N/A			

RECLASSIFICATIONS

<u>Name</u>	<u>Effective Date</u>	<u>Current Position</u>	<u>New Position</u>
N/A			

CHANGE IN CLASS

<u>Name</u>	<u>Effective Date</u>	<u>Current Position</u>	<u>New Position</u>
N/A			

CANCELLATIONS

<u>Name</u>	<u>Effective Date</u>	<u>Current Position</u>	<u>New Position</u>
N/A			

SEASONAL/UNPAID INTERNSHIPS

<u>Name</u>	<u>Position</u>
David Simpson	Cable TV production internship began 10/08/2010.

**ADDITIONAL MONTHLY REPORT INFORMATION
October 2010**

# Anniversaries	<u>3</u>
# Interviews conducted during month	<u>3</u>