

**AGENDA
CITY OF MORRISTOWN, TENNESSEE
CITY COUNCIL MEETING
FEBRUARY 21, 2017 – 5:00 P.M.**

1. **CALL TO ORDER**
Mayor Gary Chesney
2. **INVOCATION**
Charles Mills, Chaplain, Morristown Police Department
3. **PLEDGE OF ALLEGIANCE**
4. **ROLL CALL**
5. **APPROVAL OF MINUTES**
February 7, 2017
6. **PROCLAMATIONS/PRESENTATIONS**
7. **CITIZEN COMMENTS ABOUT AGENDA ITEMS ONLY**
(Other than items scheduled for public hearing.)
8. **OLD BUSINESS**
- 8-a. **Public Hearings & Adoption of Ordinances/Resolutions**
 1. Ordinance No. 3555.04
To Amend Ordinance Number 3555, the City of Morristown, Tennessee Annual Budget for the Fiscal Year 2016-2017 and to Appropriate an Additional Sum of \$68,286 Specifically for Grant Funds Received for the Police Department for the Purchase of Equipment, Lawsuit Settlement Proceeds and the Appropriation in Accordance with an Existing Contract, and the Reclassification of Appropriations for the Payment of Closing Costs on Bond issue.
9. **NEW BUSINESS**
- 9-a. **Resolutions**

9-b. Introduction and First Reading of Ordinances

1. Ordinance No. _____
To Amend Ordinance Number 3555, the City of Morristown, Tennessee, Annual Budget for the Fiscal Year 2016-2017 and to Re-Allocate Funds that had been Previously Appropriated for Other Purposes; funds are Being Re-Allocated to Provide Sufficient Appropriations for Equipment Items in Various Departments.
{Public Hearing March 7, 2017}

9-c. Awarding of Bids/Contracts

1. Approval of Uniform Bid for Parks & Recreation Department and Public Works Department to Access Solutions.
2. Approval of Bucket Truck Bid in the amount of \$120,298 to Altec for Public Works Department.
3. Approval of the Dependent Insurance Audit from Impact Interactive in the amount of \$7,258.
4. Approval of Inspection and Maintenance Agreement (I&M) between the City of Morristown and East Main Storage.

9-d. Board/Commission Appointments

1. Mayor's appointment or re-appointment to the Morristown Regional Planning Commission for a four (4) year term to expire March 1, 2021; currently held by Jack Kennerly.
2. Mayor's appointment to the Morristown Regional Planning Commission to fill the remaining term of Doug Beier, who has resigned, term to expire March 1, 2019.

9-e. New Issues

10. CITY ADMINISTRATOR'S REPORT

1. Report on Streets.

11. COMMUNICATIONS/PETITIONS

This is the portion of the meeting where members of the audience may speak subject to the guidelines provided.

12. COMMENTS FROM MAYOR/COUNCILMEMBERS/COMMITTEES

13. ADJOURN

City Council Meeting/Holiday Schedule:

Regular City Council Meeting with Work Session

March 7, 2017	(Tues) 5:00 p.m.	Regular City Council Meeting with Work Session
March 21, 2017	(Tues) 4:00 p.m.	Finance Committee Meeting
March 21, 2017	(Tues) 5:00 p.m.	Regular City Council Meeting with Work Session
April 4, 2017	(Tues) 5:00 p.m.	Regular City Council Meeting with Work Session
April 14, 2017	(Friday)	City Employee's Holiday, Good Friday
April 18, 2017	(Tues) 4:00 p.m.	Finance Committee Meeting
April 18, 2017	(Tues) 5:00 p.m.	Regular City Council Meeting with Work Session
May 2, 2017	(Tuesday)	Municipal Election Day
May 2, 2017	(Tues) 5:00 p.m.	Regular City Council Meeting with Work Session
May 8, 2017	(Monday) TBD	Sine Die City Council Meeting
May 16, 2017	(Tues) 4:00 p.m.	Finance Committee Meeting
May 16, 2017	(Tues) 5:00 p.m.	Regular City Council Meeting with Work Session
May 29, 2017	(Monday)	City Employee's Holiday Memorial Day

WORK SESSION AGENDA
February 21, 2017 5:00 p.m.

- 1. TML Risk Pool Update from Judy Housley and Wayne Anderson.**

**STATE OF TENNESSEE
COUNTY OF HAMBLLEN
CORPORATION OF MORRISTOWN
FEBRUARY 7, 2017**

The City Council for the City of Morristown, Hamblen County, Tennessee, met in regular session at the regular meeting place of the Council in the Morristown City Center at 5:00 p.m., Tuesday, February 7, 2017, with the Honorable Mayor Gary Chesney, presiding and the following Councilmembers present; Bob Garrett, Kay Senter, Dennis Alvis, Ken Smith and Tommy Pedigo; absent; Chris Bivens.

Councilmember Alvis led in the invocation and the "Pledge of Allegiance".

Councilmember Smith made a motion to approve the January 17, 2017, minutes as circulated. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Councilmember Senter made a motion to approve Ordinance No. 3555.04 on first reading and schedule a public hearing relative to final passage of said ordinance for February 21, 2017. Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

Ordinance No. 3555.04

To Amend Ordinance Number 3555, the City of Morristown, Tennessee Annual Budget for the Fiscal Year 2016-2017 and to Appropriate an Additional Sum of \$68,286 Specifically for Grant Funds Received for the Police Department for the Purchase of Equipment, Lawsuit Settlement Proceeds and the Appropriation in Accordance with an Existing Contract, and the Reclassification of Appropriations for the Payment of Closing Costs on Bond issue.

Councilmember Alvis made a motion to approve the Agreement between the City of Morristown and Lose & Associates, Inc. for Public Works Compound: Task Order No. One - Public Works Compound Programming and Concept Plans in the amount of \$15,000. Task Order No. Two - Public Works Compound Construction Document and Construction Administration 6.25% of Construction Cost. Councilmember Smith seconded the motion and upon roll call; all voted "aye".

Councilmember Smith made a motion to approve the Lease Agreement between Norfolk Southern Railway and the City of Morristown concerning real property having an area of 22,215 square feet located at Milepost 89.00-A in the amount of \$2,000 annual rent. Councilmember Senter seconded the motion and upon roll call; all voted "aye".

Councilmember Senter made a motion to approve the payment for telecom audit services to Telecom Audit Group, LLC in the amount of \$27,500. Councilmember Alvis seconded the motion and upon roll call; all voted “aye”.

Councilmember Pedigo made a motion to approve the purchase of ammunition from Craig’s Firearm Supply for the Morristown Police Department in the amount of \$12,929.26. Councilmember Alvis seconded the motion and upon roll call; all voted “aye”.

Councilmember Alvis made a motion to approve the Inspection and Maintenance Agreement(s) (I&M) between City of Morristown and Ingles #85; Lot 1E Merchants Greene Outlot #2; Hampton Inn Morristown, I-81, TN; The Downs at Wallace Farms, Phase II; and Kawasaki Building Expansion Project 2015. Councilmember Pedigo seconded the motion and upon roll call; all voted “aye”.

Mayor Chesney re-appointed Harold Knight to the Morristown Housing Authority for a five (5) year term expiring February 15, 2022.

Mayor Chesney adjourned the January 17, 2017, City Council meeting at 5:19 p.m.

MAYOR

ATTEST:

CITY ADMINISTRATOR

APPROPRIATION ORDINANCE

Ordinance Number: **3555.04**

TO AMEND ORDINANCE NUMBER 3555, THE CITY OF MORRISTOWN, TENNESSEE ANNUAL BUDGET FOR THE FISCAL YEAR 2016-2017 AND TO APPROPRIATE AN ADDITIONAL SUM OF \$68,286 SPECIFICALLY FOR GRANT FUNDS RECEIVED FOR THE POLICE DEPARTMENT FOR THE PURCHASE OF EQUIPMENT; LAWSUIT SETTLEMENT PROCEEDS AND THE APPROPRIATION IN ACCORDANCE WITH AN EXISTING CONTRACT; AND THE RECLASSIFICATION OF APPROPRIATIONS FOR THE PAYMENT OF CLOSING COSTS ON BOND ISSUE.

Be it ordained by the Council of the City of Morristown Tennessee that Ordinance Number 3555 identifying the revenue and expenditure accounts of the City of Morristown contained in the annual budget for the fiscal year 2016-2017 is hereby amended and funds are herewith appropriated or adjusted as presented.

FUND	DEPARTMENT	CODE	ACCOUNT DESCRIPTION	RESERVES		EXPENDITURES	
				Increase	Decrease	Increase	Decrease
General (#110)	Revenues	33604	Department of Justice Grants	\$13,286			
General (#110)	Revenues	36400	Judgements and Restitution	\$55,000			
General (#110)	Finance	110-41650-399	Other Contracted Services			\$ 55,000	
General (#110)	Police - Supervision	110-42110-805	DOJ JAG Grant			\$ 13,286	
General (#110)	Bond Principal	110-49100-731	Debt Interest				\$ 150,000
General (#110)	Transfers Out	110-92000-639	Transfer to Capital Projects Fund			\$ 150,000	
			Totals	\$ 68,286	\$ -	\$ 218,286	\$ 150,000

PASSED ON FIRST READING THIS _7th_ Day of February 2017

ATTEST: _____

Mayor
City Administrator

PASSED ON SECOND READING THIS _21st_ Day of February 2017

ATTEST: _____

Mayor
City Administrator

APPROPRIATION ORDINANCE

Ordinance Number: **3555.05**

TO AMEND ORDINANCE NUMBER 3555, THE CITY OF MORRISTOWN, TENNESSEE ANNUAL BUDGET FOR THE FISCAL YEAR 2016-2017 AND TO RE-ALLOCATE FUNDS THAT HAD BEEN PREVIOUSLY APPROPRIATED FOR OTHER PURPOSES; FUNDS ARE BEING RE-ALLOCATED TO PROVIDE SUFFICIENT APPROPRIATIONS FOR EQUIPMENT ITEMS IN VARIOUS DEPARTMENTS.

Be it ordained by the Council of the City of Morristown Tennessee that Ordinance Number 3555 identifying the revenue and expenditure accounts of the City of Morristown contained in the annual budget for the fiscal year 2016-2017 is hereby amended and funds are herewith appropriated or adjusted as presented.

FUND	DEPARTMENT	CODE	ACCOUNT DESCRIPTION	RESERVES		EXPENDITURES	
				Increase	Decrease	Increase	Decrease
General (#110)	Public Works - Communications Shop	110-43175-971	Motor Equipment			\$ 25,000	
General (#110)	Public Works - Traffic Devices	110-43190-365	Repair & Maintenance - Traffic Signals				\$ 25,000
General (#110)	Information Technology -	110.41640.964	Office Equipment			\$ 1,250	
General (#110)	Parks & Recreation - Administration	110.44410.413	Office Equipment				\$ 1,250
			Totals	\$ -	\$ -	\$ 26,250	\$ 26,250

PASSED ON FIRST READING THIS _21st_ Day of February 2017

ATTEST:

Mayor

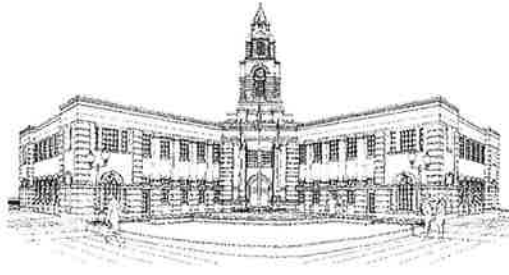
City Administrator

PASSED ON SECOND READING THIS _7th_ Day of March 2017

ATTEST:

Mayor

City Administrator



Morristown City Council Agenda Item Summary

Date: February 13, 2017

Agenda Item: Approval of Bid – Uniforms

Prepared by: Joey Barnard

Subject: Uniforms

Background/History: The Morristown Parks and Recreation department provides athletic supplies for both youth and adult recreational sports. Bids were received for a variety of recreational jerseys and hats. Beginning this year, in an effort to ensure the best price, Morristown Parks and Recreation employee uniforms were also bid.

The Public Works Department began providing uniforms for employees to self-laundry last year. Public Works employees were given a set of seven (7) uniforms following last year's bid. Bids received this year provide pricing that will allow employees to receive four (4) new sets of uniforms to replace damaged and worn clothing.

Findings/Current Activity: The bid was advertised in the *Citizen Tribune* on January 20, 2017 and on January 27, 2017. Additionally, the bid was posted to the City of Morristown's website and through Vendor Registry, an on-line bid facilitation website. The submission deadline was 10:00 AM on Tuesday, February 3, 2017. We received seven (7) responses.

Financial Impact: Funds have been appropriated for uniforms for the Public Works and Parks and Recreation Departments. Also, the Parks and Recreation Department appropriates funds annually for the purchase of jerseys and hats for youth and adult recreational sports. The uniform garments bid by Access Solutions were found to be comparable and with less cost for both departments.

Action options/Recommendations: It is staffs' recommendation to accept the lowest and best bids submitted by Access Solutions as detailed above.

Attachments: Copy of Bid Tabulation

City of Morristown
Uniform Bid
Friday, February 3, 2017 10:00 a.m.

Bidder Public Works - Regular Sizes	BK Graphics - A	BK Graphics - B	Express Press	BSN Sports	Access Solutions	Simply Tee Affic
Dickies L53SDS	\$ 20.37	\$ 16.81	No Bid	No Bid	\$ 14.02	\$ 19.95
Dickies L53SNV	\$ 20.37	\$ 16.81	No Bid	No Bid	\$ 14.02	\$ 19.95
Gildan Men's Workwear Pocket T - Navy	\$ 8.22	\$ 8.13	No Bid	No Bid	\$ 6.53	\$ 9.00
Gildan Men's Workwear Pocket T - Grey	\$ 8.22	\$ 8.13	No Bid	No Bid	\$ 5.99	\$ 9.00
Dickies L53SDS	\$ 20.53	\$ 18.21	No Bid	No Bid	\$ 15.61	\$ 23.95
Dickies L53SNV	\$ 20.53	\$ 18.21	No Bid	No Bid	\$ 15.61	\$ 23.95
Berne Heavyweight Pocket T-Shirt Long Sleeve - Navy	\$ 14.91	\$ 10.93	No Bid	No Bid	\$ 12.11	No Bid
Berne Heavyweight Pocket T-Shirt Long Sleeve - Grey	\$ 14.91	\$ 10.93	No Bid	No Bid	\$ 11.87	No Bid
Berne Original Hooded Sweatshirt - Thermal Lined - Navy	\$ 31.59	\$ 16.53	No Bid	No Bid	\$ 25.61	No Bid
Berne Insulated Bib Overall - Quilt Lined - Legged zippers from hip to bottom of leg - Reinforced double knees - Brown Duck	Discontinued	\$ 48.71	No Bid	No Bid	\$ 45.18	No Bid
Berne Original Chore Coat - Quilt Lined - Embroidered with white thread - Brown Duck	\$ 41.87	No Bid	No Bid	No Bid	\$ 40.65	No Bid
Dickies Industrial Relaxed Fit Straight Leg Multi-Use Pocket Pant - Desert Sand	\$ 19.66	\$ 16.49	No Bid	No Bid	\$ 16.11	No Bid
Dickies Relaxed Fit Straight Leg Ripstop Carpenter Pant - Rinsed Moss Green	\$ 46.10	\$ 20.96	No Bid	No Bid	\$ 18.90	No Bid

Public Works - 2x-4x and Over 44 Pairs									
Dickies LS350S	\$	22.27	\$	18.81	No Bid	No Bid	\$	15.24	\$ 21.95
Dickies LS35NV	\$	22.27	\$	18.81	No Bid	No Bid	\$	15.24	\$ 21.95
Gildan Men's Workwear Pocket T - Navy	\$	10.22	\$	10.13	No Bid	No Bid	\$	8.84	\$ 11.00
Gildan Men's Workwear Pocket T - Grey	\$	10.22	\$	10.13	No Bid	No Bid	\$	7.83	\$ 11.00
Dickies LS350S	\$	22.53	\$	20.21	No Bid	No Bid	\$	17.01	\$ 25.95
Dickies LS35NV	\$	22.53	\$	20.21	No Bid	No Bid	\$	17.01	\$ 25.95
Bernie Heavyweight Pocket T-Shirt Long Sleeve - Navy	\$	16.91	\$	12.93	No Bid	No Bid	\$	13.21	No Bid
Bernie Heavyweight Pocket T-Shirt Long Sleeve - Grey	\$	16.91	\$	12.93	No Bid	No Bid	\$	12.95	No Bid
Bernie Original Hooded Sweatshirt - Thermal Lined - Navy	\$	33.59		18.33	No Bid	No Bid	\$	28.05	No Bid
Bernie Insulated Bib Overall - Quilt Lined - Legged: Tapers from Hip to bottom of leg - Reinforced double knees - Brown Duck		Discontinued		50.71	No Bid	No Bid	\$	49.71	No Bid
Bernie Original Chore Coat - Quilt Lined - Embroidered with white thread - Brown Duck	\$	43.87		No Bid	No Bid	No Bid	\$	44.52	No Bid
Dickies Industrial Relaxed Fit Straight Leg Multi-Use Pocket Pant - Desert Sand	\$	21.66	\$	18.49	No Bid	No Bid	\$	17.89	No Bid
Dickies Relaxed Fit Straight Leg Riptop Carpenter Pant - Rinsed Moss green	\$	48.10	\$	22.96	No Bid	No Bid	\$	20.79	No Bid

City of Morristown
Uniform Bid
Friday, February 3, 2017 10:00 a.m.

Bidder	BK Graphics - A	BK Graphics - B	Express Press	MSN Sports	Access Solutions	Simply Tee Rite
Parks & Rec - Regular Stars						
Short Sleeve T-Shirts - Wicking or Moisture Management (youth and adult) - Boys 5x, Jr., Little, and Minor League - Screen printed on front, number on back.	\$ 7.10	Adult: \$7.42 Youth: \$6.52	\$ 4.09	\$ 6.95	\$ 6.38	\$ 6.25
Short Sleeve T-Shirts - Wicking or Moisture Management (youth and adult) - Girls 5x, Jr., Little, and Minor League - Screen printed on front, number on back.	\$ 10.43	No Bid	\$ 6.34	\$ 9.15	\$ 7.20	\$ 7.30, \$4.24 August 025: \$9.75
Short Sleeve T-Shirts (youth and adult) - Girls and boys Challenger League - Screen printed on front, number on back.	\$ 3.98	No Bid	\$ 3.83	\$ 5.85	\$ 5.44	\$ 5.00
Short Sleeve T-Shirts (youth and adult) - Girls and boys Tee Ball and Coach Pitch - Screen printed on front, number on back.	\$ 3.98	No Bid	\$ 3.83	\$ 5.25	\$ 4.69	\$ 4.05
Short Sleeve T-Shirts - Wicking or Moisture Management (youth and adult) - Boys All Stars - Screen printed on front, number on back.	\$ 7.10	10.12	\$ 4.09	\$ 9.95	\$ 6.94	\$ 7.50
Short Sleeve T-Shirts - Wicking or Moisture Management (youth and adult) - Girls All Stars - Screen printed on front, number on back.	\$ 10.43	No Bid	\$ 6.34	\$ 9.95	\$ 8.25	\$ 7.50
Short Sleeve 50/50 Tees - Two color logo screen printed on front chest - Specific logo for each adult sport.	\$ 4.05	No Bid	\$ 3.83	\$ 6.75	\$ 4.09	\$ 4.25
Short Sleeve T-Shirts - Parks and Rec logo screened on left front chest - 100% cotton.	\$ 5.13	No Bid	\$ 2.72	\$ 4.95	\$ 3.21	\$ 4.50
Long Sleeve T-Shirts - Parks and Rec logo screened on left front chest - 100% cotton.	\$ 8.13	No Bid	\$ 5.35	\$ 10.50	\$ 5.81	\$ 6.50
Port Authority Polo shirts with Parks and Rec embroidered on left front chest - Ladies and Mens sizes.	\$ 23.67	No Bid	\$ 11.09	\$ 14.95	\$ 10.55	\$ 4,500, 1,480: \$25.00 K11001, 100: \$15.00

Pants and Rec - 2x-4x															
Short Sleeve T-Shirts - Wicking or Moisture Management (youth and adult) - Boys S, M, Little, and Minor League - Screen printed on front, number on back	No Bid					\$	7.09	\$		10.95	\$	7.94	\$		B.29
Short Sleeve T-Shirts - Wicking or Moisture Management (youth and adult) - Girls S, M, Little, and Minor League - Screen printed on front, number on back	No Bid								2x only \$8.34	\$	11.15	\$	8.69		ST 302 \$8.25 Augustine 202 \$1.75
Short Sleeve T-Shirts (youth and adult) - Girls and Boys Challenger League - Screen printed on front, number on back	No Bid					\$	6.83	\$		7.23	\$	7.36	\$		6.00
Short Sleeve T-Shirts (youth and adult) - Girls and boys Tee Ball and Coach Pitch - Screen printed on front, number on back	No Bid					\$	6.83	\$		6.95	\$	6.61	\$		5.05
Short Sleeve T-Shirts - Wicking or Moisture Management (youth and adult) - Boys All Stars - Screen printed on front, number on back	No Bid					\$	12.12	\$		7.09	\$	10.95	\$	8.50	9.50
Sleeveless T-Shirts - Wicking or Moisture Management (youth and adult) - Girls All Stars - Screen printed on front, number on back	No Bid								2x only \$8.34	\$	10.95	\$	9.44	\$	9.50
Short Sleeve 50/50 Tees - Two color logo screen printed on front chest - Specific logo for each adult sport	No Bid					\$	6.83	\$		8.75	\$	5.96	\$		6.25
Short Sleeve T-Shirts - Parks and Rec logo screened on left front chest - 100% cotton	7.13					\$	5.72	\$		6.95	\$	4.80	\$		6.50
Long Sleeve T-Shirts - Parks and Rec logo screened on left front chest - 100% cotton	10.13					\$	8.35	\$		12.50	\$	6.41	\$		8.50
Port Authority Polo Shirts with Parks and Rec embroidered on left front chest - Ladies and Mens sizes	25.67					\$	14.09	\$		16.95	\$	11.57			K580/LS80 \$27.00 K100/LS100 \$17.00
Pants and Rec - Caps															
Team Caps (youth and adult) - Colors to match jerseys - Team logo screened on front - No cord on cap	4.18					\$	4.35	\$		4.41	\$	6.60	\$		No Bid
Team Caps (youth and adult) - All Stars Caps - mesh with flex fit - Colors to match jerseys - Team logo screened on front - No cord on cap	8.77					\$	8.08	\$		7.57	\$	12.95	\$		No Bid
Outdoor Cap - Mesh w/cord with monogram "W" for Girls All Stars teams	4.73					\$	5.33	\$		8.50	\$	7.98			No Bid
Long Bill Umpire Hats - Navy umpire hats - one size fits all	9.00					\$	5.71	\$		6.95	\$	7.26			No Bid
Richardson Cap 51481 with Parks and Rec logo embroidered on front panel - sizes vary	14.31					No Bid				No Bid		10.95	\$	9.93	No Bid



Morristown City Council Agenda Item Summary

Date: February 13, 2017

Agenda Item: Approval of Bid – Bucket Truck

Prepared by: Joey Barnard

Subject: Bucket Truck Bid

Background/History: The Morristown Public Works department currently uses a third party to repair traffic signal control issues. Unfortunately, there have been times when serious traffic control issues could not be rectified in a timely manner due to unforeseen issues by the third party. It has become necessary for the Public Works Department to obtain a bucket truck to better serve the community and to enhance citizen safety. Obtaining a bucket truck would give the City of Morristown the opportunity to complete tasks in a more reasonable and timely manner. The City would become more self-sufficient and be able to complete a variety of other tasks that currently require the rental of lifts or other equipment.

Findings/Current Activity: The bid was advertised in the *Citizen Tribune* on January 23, 2017 and on January 30, 2017. Additionally, the bid was posted to the City of Morristown's website and through Vendor Registry, an on-line bid facilitation website. The submission deadline was 10:00 AM on Monday, February 9, 2017. We received one (1) response.

Financial Impact: This capital expenditure was planned and appropriated in the 16-17 budget. Bids received exceeded the \$110,000 that was appropriated in the original budget. Public Works has sufficient funds to acquire this piece of equipment by reallocating funds that had been appropriated for other items. A budget amendment is being presented. Therefore, with the budget amendment, sufficient funds will be available to accept the best and lowest bid that meets or exceeds specifications in the amount of \$120,298.00.

Action options/Recommendations: It is staffs' recommendation to accept the best and lowest bid submitted by Altec in the amount of \$120,298.00.

Attachments: Copy of Bid Tabulation.

City of Morristown
 Bucket Truck Bid Tabulation
 Thursday, February 9, 2017 10:00 a.m.

Bidder	Specification Compliance	Description of Unit	Unit Price
Altec	Fully Complies	Altec AT4TM/ Altec Steel Body/ RAM 5500 4x4	\$ 120,298.00



**HOW CITY OF MORRISTOWN CAN REDUCE
HEALTHCARE COSTS WITH AN EXPERT AUDIT
FROM MARK III
AND IMPACT INTERACTIVE**

February 14, 2017

YOU GET THE BEST RESULTS AND THE BEST VALUE FROM OUR EXPERT AUDIT.

What is the best way to conduct a dependent eligibility audit? In the past, there was only one way to do it. The answer was carved in stone. All employees with dependents had to submit legal documents verifying their family relationships. In 2007, Impact Interactive reinvented the dependent eligibility audit — using the power of web and data technology to deliver the best results for you. We call the system Expert Audit.

Expert Audit delivers the best overall results, and the best total value because of its unique structure. Unlike other firms that offer only a one-dimensional approach (employees submit documents), Expert Audit combines three powerful knowledge discovery techniques in a single, technologically-advanced online system.

- First, Expert Audit features an **online affidavit** where employees provide statements of fact about their current dependent relationships.
- Second, it includes a **proof document review** where employees submit official documents to verify the statements they've made online.
- Third, it incorporates a **data capture system** where employees provide additional family information online that is critical to HR and Benefits decision-making.

THE FIRST STEP IN THE EXPERT AUDIT: ALL EMPLOYEES COMPLETE THE ONLINE AFFIDAVIT.

The Online Affidavit's key feature is its **drill-down structure**.

To determine eligibility, employees must provide truthful, accurate, and current information about their families. To make sure this happens, we ask them to formally declare, with an **electronic signature**, that their answers to the online affidavit questions are current and correct.

We then drill down further, and ask employees to **specifically define their marital and child relationships**. These are very fine cuts that do not allow any wiggle room. For example, marital status choices could be Legal Marriage – Same Sex or Opposite Sex OR Domestic Partner – Same Sex or Opposite Sex, OR Civil Union – Same Sex or Opposite Sex, OR Common Law and so on.

Next, more drill downs – employees must provide additional details to support their answers like dates and places of marriage, current residences, and so on.

Finally, we **time and date stamp** the online affidavit to notify employees that their information must be true as of today. This is how Expert Audit virtually guarantees the highest level of information accuracy.

THE DEPENDENT ELIGIBILITY CENTER IS AVAILABLE TO ANSWER EMPLOYEE QUESTIONS.

Our experience shows that 98% of employees can get online and can finish the affidavit in **less than 15 minutes**. The few employees who cannot access the web can call our Expert Audit Dependent Eligibility Center and provide their information to a trained, knowledgeable customer service representative.

Employees can call the Dependent Eligibility Center toll-free Monday through Thursday, 8:00 AM to 7:00 PM, and Friday, 8:00 AM to 5:00 PM Eastern Time. It's located at the Impact Interactive headquarters in Suwanee, Georgia, and is available to assist employees with questions or concerns.

We staff our call center to maintain the highest quality response and service. We are proud of the fact that, in a typical case, a very small number of employees contact the call center to say they don't understand. This is a testament to our clear, complete communications — and to our user-friendly online affidavit process.

Our Expert Audit Dependent Eligibility Center metrics meet or exceed industry standards for call center operations. Sample service levels are...

- Service level: answer 85% of the calls in less than 20 seconds
- Speed of answer: less than 20 seconds
- Longest time in queue: 3 minutes
- Abandon rate: less than 2%
- Transfer rate: under 1%

THE EXPERT AUDIT ONLINE AFFIDAVIT IS POWERED BY A SOPHISTICATED EXPERT SYSTEM.

When employees complete the online affidavit, Expert Audit instantly evaluates their answers, and notifies them if a dependent is ineligible by rule (such as a divorced spouse on the plan), or whether they must submit official, legal proof documents to verify their affidavit responses.

Dependents who are not immediately ineligible must submit documents. This quick feedback is possible due to Expert Audit's rules-based, intelligent decision engine — called an expert system — loaded with your specific SPD eligibility criteria.

What is an Expert System? It's a computer program (Expert Audit is an expert system) that simulates the judgment and behavior of a human or an organization that has expert knowledge and experience in a particular field.

The system includes a knowledge base containing (1) **accumulated experience** (from you and us) and (2) a **set of rules** (from your SPD). The system then applies the knowledge base and rules to each particular situation that is described to it, for example in this case, by the employee's answers on the affidavit.

This feature is unique in our industry. **No other firm** uses this approach, and therefore, no other firm can offer the range of services and capabilities that Expert Audit delivers.

WHY DOES EXPERT AUDIT HAVE AN ONLINE AFFIDAVIT WHEN OTHER AUDIT FIRMS DON'T?

Expert Audit was specifically designed to allow **employees themselves** to create a personal and family eligibility database. During the audit, they answer relationship questions, AND enter their family data into the online system. In doing so, they build an accurate, current, and comprehensive eligibility database for their employers.

Employers use this database to gain insight, spot trends, analyze patterns, and take action. Other audit firms do not extract all the dependent data from submitted documents, and deliver a database to employers. With our system, employers have an actionable database instantly available online. And that's the value of Expert Audit.

Benefits of Online Process to Employer

- Our online expert system serves as the SPD-based eligibility rules engine.
- Employee-entered data can be matched with employee-submitted documents.
- Data capture function supports HR decision-making.
- Reports and databases provide information for insights and actions.

Benefits of Online Process to Employee

- Today, the web is expected, accessible, and comfortable for most all employees.
- Employees don't have to make eligibility decisions, just pick the correct relationship.
- The website tells employees what documents to send for each dependent.
- Employees can appeal a ruling right on the site, and get quick resolution.

THE SECOND STEP IN THE EXPERT AUDIT: ALL EMPLOYEES SUBMIT PROOF DOCUMENTS.

Step Two is the proof document review. We will **collect documents from 100% of your employees with covered dependents**. The key feature of the proof document review is its **information matching design**. Here's how it works.

The employee first completes the online affidavit, and let's say defines her current status as legally married. Expert Audit immediately informs the employee that she must submit a current tax return and a marriage certificate. The employee does not have to decide what to submit. Expert Audit displays her requirements right on the screen.

When the employee submits the requested documents to us, we compare her affidavit answers to the information on the documents to make certain all her records, her documents, and her statements truly match ... and that they meet all your SPD requirements. For example, if she says she is legally married, but submits tax returns showing a single filing status for both parties, this is a problem.

Expert Audit utilizes a highly-tuned system of multiple data points and information sources to determine eligibility. This gives us a total picture of the employee's current family situation, and allows us to deliver a better, more informed eligibility ruling.

THE THIRD STEP IN THE EXPERT AUDIT: EMPLOYEES PROVIDE ADDITIONAL CRITICAL INFORMATION.

The third element of Expert Audit is its data capture system, whose function is **to support HR and Benefits decision-making**. You may have **two specific issues** where our data capture system will be extremely valuable.

Issue 1: Spousal Carve-Out / Spousal Surcharge. How many spouses on your medical plan are eligible for coverage from their jobs? To find out for you, we can include specific questions in the affidavit that will capture in-depth information about spousal employment and available medical coverage.

Issue 2: Dependent Social Security Numbers. To comply with healthcare reform requirements, you may also want to collect dependent Social Security Numbers. Again, the data capture function in Expert Audit is ideally suited to accomplish this goal.

The Expert Audit system will gather this information from all employees with covered dependents, aggregate it into a format that reflects your requirements, and deliver complete and comprehensive reports to you. This data will aid the Benefits Department in decision-making and benefit administration.

THE EXPERT AUDIT IMPLEMENTATION PROCESS BEGINS WITH CAMPAIGN PLANNING.

Excellent campaign planning is the foundation of a successful Expert Audit. Typically, the planning phase takes 30 days to complete, and involves these key decision elements.

- **Timetable.** Develop an audit timetable that meets the needs of your organization. This initiative should not conflict with other major events (like open enrollment).
- **SPD Analysis.** Review dependent eligibility rules, and determine necessary requirements, clarifications, and/or modifications.
- **Audit Rules.** Develop eligible and ineligible rules based on your SPD that must be programmed into the expert system website.
- **Audit Questions.** Create the affidavit questions that employees must answer. These too must be programmed into the expert system website.
- **Proof Documents.** Determine the legal proof documents employees in all relationship categories must submit to the Dependent Eligibility Center.

THE EXPERT AUDIT IMPLEMENTATION PROCESS CONTINUES WITH ADDITIONAL KEY ELEMENTS.

In addition to the Timeline, SPD Analysis, Audit Rules, Audit Questions, and Proof Documents, there are several other key elements necessary to discuss during the campaign planning phase. They are...

- **Data.** We will need a current database of employees and covered dependents that will be included in the audit population. Typically, retirees, dental/vision coverage only, and COBRA people are not audited.
- **Communications.** We must discuss the communications vehicles available for the audit, also the content, style, tone, and number of employee communications. We will need an electronic version of your stationery, as well as a sample of your standard business envelope. Lastly, the signature of the executive who will be signing the letters is required.
- **Penalties.** You must decide the penalties for ineligible and/or non-compliant dependents. That is, you must determine the penalties for employees who do not participate, or who provide inaccurate or incomplete audits.

A TYPICAL TIMETABLE FROM PLANNING TO FINAL REPORT SPANS 3-4 MONTHS.

The campaign includes four distinct periods: planning, website and communications production, online affidavit and document collection, and reporting and presentation.

Campaign Planning [30 days]

The campaign planning period includes the development of timing, SPD analysis, audit rules and questions, proof documents, data, communications, and penalties.

Website and Communications Production [30 days]

Here we create and produce both the audit website and the employee communications package. It also includes your thorough review and approval of both the website and communications materials.

Online Affidavit and Document Collection [45 days]

This is the actual Audit Period. The audit website is live. The call center is operational. The document adjudication is in full swing. Employees also receive initial letters, reminders letters, and broadcast reminder phone calls during this period.

Reporting and Presentation [15 days]

We create an Executive Summary of Audit Results, and create a comprehensive set of reports. These reports deliver (to you) all the data we gathered during the process.

**THE SPD ANALYSIS IS THE CORNERSTONE OF OUR
EXPERT AUDIT.**

We review your SPD thoroughly to determine the eligibility rules that apply to each dependent category. This means all marital status categories, and all dependent status categories. We suggest necessary clarifications, and/or modifications.



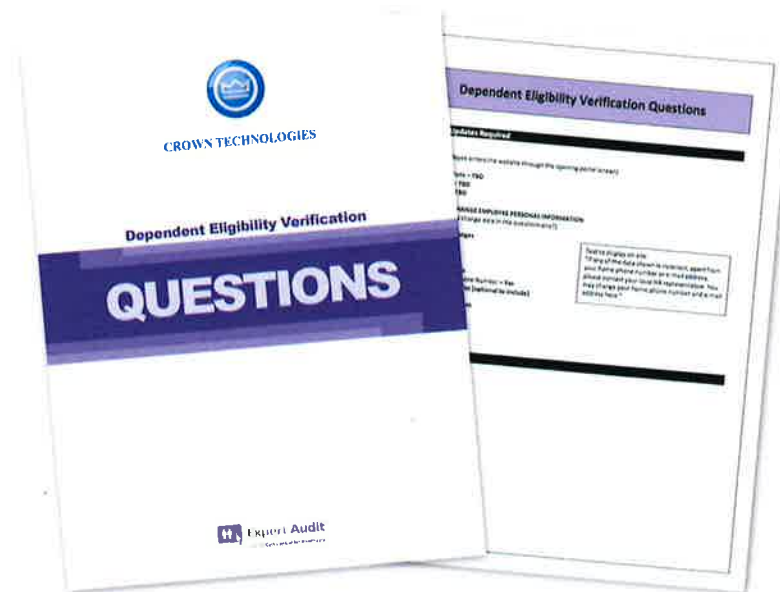
FROM THE SPD, WE DEVELOP THE ELIGIBILITY RULES FOR THE ONLINE AFFIDAVIT.

We create an eligibility rule for each marital status and child relationship. We program these rules into the Expert Audit system, and they form the basis for the intelligent decision engine that powers the online affidavit and data capture system.



FROM THE ELIGIBILITY RULES, WE CREATE THE QUESTIONS FOR THE EMPLOYEE AFFIDAVIT.

With the finalized eligibility rules as a basis, we create the questions employees must answer on the online affidavit. These questions reflect not only the rules, but the data capture information you require as well.



THEN WE DECIDE WITH YOU WHICH PROOF DOCUMENTS YOU WILL REQUIRE FROM EMPLOYEES.

You must decide (with our suggestions) which proof documents you will require employees to submit during the Expert Audit. These documents are typically birth and marriage certificates, tax returns, court papers and so on.



A CURRENT DATABASE OF EMPLOYEES AND DEPENDENTS IS REQUIRED TO CONDUCT THE AUDIT.

An Excel template is available for you to use to provide this data to us. Below is a listing of some of the required data fields. Additional fields will be added to this list depending on your organizational structure and data capture requirements.

Employee Data

- Employee ID Number
- First Name, Last Name, Middle Initial
- Home Address, Number and Street (Apt Number)
- City, State, and Zip Code
- Home Telephone Number and/or Cell Number, and/or Home Email
- Date of Birth, Gender

Family Data for Each Dependent

- Dependent First Name, Last Name, Middle Initial
- Relationship to Employee (identify as spouse or child)
- Date of Birth, Gender
- Dependent names must be linked to the Employee ID

Other Data

- Medical Election, Coverage Level
- Business Group Name, Location, and Code
- Internal HRIS System, Employer Data (IT) Contacts
- Carrier contacts (if applicable)
- TPA contacts (if applicable)

DATA SECURITY AND EMPLOYEE PRIVACY IS OF CRITICAL IMPORTANCE TO US.

Impact Interactive's computer systems are regulated and secured to meet the standards required to handle sensitive data. Our web-based system uses the industry standard 128-bit SSL encryption, and is certified by VeriSign and Thawte. Our data center is SSAE 16 (formerly SAS 70) compliant and has IBM-ISS monitoring firewall and server access 24x7. Access to data is role-based and user-authenticated.

Our systems are protected from external attacks by a state of the art firewall and are segmented into different computer networks. Impact Interactive password policies ensure that passwords are highly-complicated and regularly-changed. Laptops are not used for dependent audits, and access to data is restricted to specific users on our internal servers.

Backups of our data are kept in an access-controlled vault offsite with a bonded and insured data storage company. Any electronic communication of sensitive data utilizes the Secure Sockets Layer (SSL) Protocol, the same technology used by the largest financial institutions in the country.

Our IT professionals regularly audit our system logs for any unauthorized use of our systems. In addition, individual workstations used by call center representatives have restricted capabilities. These workstations are unable to print, or view external websites.

WE CREATE A POWERFUL, ENGAGING EMPLOYEE COMMUNICATIONS CAMPAIGN.

The communications campaign is designed to make employees aware of the dependent audit, to provide instructions on how to participate, to explain the important reasons for the audit, and to communicate the penalties for non-compliance.



The communications campaign delivers excellent results. Typically, 98% (or more) of employees with covered dependents participate fully in the Expert Audit.

EXPERT AUDIT ASKS SPECIFIC QUESTIONS ABOUT THE EMPLOYEE'S MARITAL STATUS.

The employee simply chooses the correct marital relationship from the drop-down menu. There are 9 specific relationships listed – from legally married to unmarried partner. The employee does not have to decide if his/her covered dependent is eligible.

The screenshot shows a web-based form for Crown Company. At the top left is the Crown Company logo. At the top right is a link for "FREQUENTLY ASKED QUESTIONS". On the left side, under the heading "YOUR FAMILY", there is a list of family members: FAMILY DATA, EMILY VALENTINE, JOHN VALENTINE, JULIA VALENTINE, MICHAEL VALENTINE, ADDIE VALENTINE, DANIEL VALENTINE, ELIZABETH VALENTINE, and SUMMARY. Each name has a blue checkmark icon to its right. Below this list is a "PRINT" button with a printer icon. The main content area is titled "John Valentine | Spouse" and "PAGE 1 OF 4". It asks "What is your relationship to this dependent?". Below this question are fields for Marital Status, Date of Marriage, Marriage Location, Marriage State, and City of Marriage. A drop-down menu is open for "Marital Status", showing options: Legally Married (selected), Married and Legally Separated, Married and Physically Separated, Common Law, Civil Union, Domestic Partner, Widowed, Divorced, and Unmarried Partner. To the right of the drop-down menu is a "changes" link. Below the form fields are "Back" and "Save & Next" buttons. On the far right, there is a "HELP" button with a question mark icon and a section titled "Relationship to this Dependent" which defines an unmarried partner and a domestic partner.

Crown Company FREQUENTLY ASKED QUESTIONS

YOUR FAMILY

FAMILY DATA ✓

EMILY VALENTINE ✓

JOHN VALENTINE ✓

JULIA VALENTINE ✓

MICHAEL VALENTINE ✓

ADDIE VALENTINE ✓

DANIEL VALENTINE ✓

ELIZABETH VALENTINE ✓

SUMMARY ✓

PRINT

John Valentine | Spouse PAGE 1 OF 4

What is your relationship to this dependent?

Marital Status: **Legally Married** (selected)
Date of Marriage:
Marriage Location:
Marriage State:
City of Marriage:

Married and Legally Separated
Married and Physically Separated
Common Law
Civil Union
Domestic Partner
Widowed
Divorced
Unmarried Partner

Back **Save & Next**

HELP

Relationship to this Dependent
An unmarried partner is a significant other, girlfriend or boyfriend who is not married to you, and who lives with you.

A domestic partner is someone of the same or opposite sex who lives with you, and meets all of the requirements of the company's domestic partner policy.

EXPERT AUDIT ASKS DETAILED QUESTIONS ABOUT DEPENDENT CHILD RELATIONSHIPS.

Again, the employee chooses the correct child relationship from the drop-down menu. There are 10 specific child relationships listed. As before, the employee does not have to make decisions, he/she simply states the facts.

The screenshot shows a web-based form titled "Crown Company" in the top left corner. The main heading is "YOUR FAMILY" with a sub-heading "Julia Valentina | Child". Below this, there is a section titled "How is this child related to you?". A dropdown menu is open, showing a list of relationships: "Input Required", "Biological Child", "Adopted Child", "Child placed with you for adoption", "Stepchild", "Foster Child", "Child of Domestic Partner", "Grandchild", "Niece/Nephew", "Brother/Sister", and "Other Child Type". The "Input Required" option is selected. To the right of the dropdown menu, there is a "Back" button and a "Save & Next" button. On the far right, there is a "HELP" button and a "FREQUENTLY ASKED QUESTIONS" link. At the bottom left, there is a "PRINT" button and a "Your Online" link. The page number "PAGE 1 OF 3" is displayed in the top right corner.

EXPERT AUDIT DELIVERS AFFIDAVIT RESULTS AND PROOF DOCUMENT REQUIREMENTS.

Based on his/her affidavit answers, the system tells the employee (1) if a dependent is ineligible by rule or (2) if he/she must submit documents to verify the stated relationship. The employee does not have to determine the correct documents from a generic list. He/she sees only the specific, required documents for each dependent.

The screenshot displays the 'Crown Company' logo at the top left. Below it, the user's name 'Emily Valentine' is shown, along with their 'Your Dependent Verification Status' and 'Date of Birth: 11/06/1978 • Telephone: 678-678-6543'. A disclaimer states: 'This page gives you the current verification status of all your covered dependents, and offers resources to help you successfully complete the verification process. Scroll down to see all the information. Return to this page any time before the deadline to check the current status of your dependent(s)'. The main section is titled 'Status of Covered Family Members' and includes a note: 'Here is the current status of each dependent. Click on the Dependent Type (Legal Marriage, Biological Child, and so on) in the middle of each bar to see the documents you must submit for each family member.' There are six dependent cards arranged in a 2x3 grid:

- Elizabeth Valentine** (Grandchild): Reason: For this type of child to be eligible for coverage, you or your spouse must be the child's legal guardian or adoptive parent, and you must have the appropriate documents available to submit, if requested. Status: **INELIGIBLE** (red bar with 'X').
- John Valentine** (Legally Married): Reason: None. Status: **DOCS REQUIRED** (blue bar with '?').
- Julia Valentine** (Biological Child): Reason: To be eligible for coverage a child must be under 26. Status: **INELIGIBLE** (red bar with 'X').
- Michael Valentine** (Biological Child): Reason: None. Status: **DOCS REQUIRED** (blue bar with '?').
- Addie Valentine** (Stepchild): Reason: None. Status: **DOCS REQUIRED** (blue bar with '?').
- Daniel Valentine** (Child of Domestic Partner): Reason: A child of a domestic partner is not eligible for medical coverage. Status: **INELIGIBLE** (red bar with 'X').

At the bottom, a note states: 'We will make recorded reminder calls to you until each dependent is listed as Complete. In addition, we will call you personally if documents are missing or incomplete. Please check this page for status updates.' A blue circular icon with a checkmark is located at the bottom right of the interface.

EXPERT AUDIT ALLOWS EMPLOYEES TO CHECK ON THE STATUS OF THEIR AUDIT.

After the employee has submitted documents to the Dependent Eligibility Center, he or she can return to the Expert Audit website to check his or her current status. He or she can see immediately whether dependents are complete and eligible, or ineligible by rule, or non-compliant (no documents or incomplete documents).

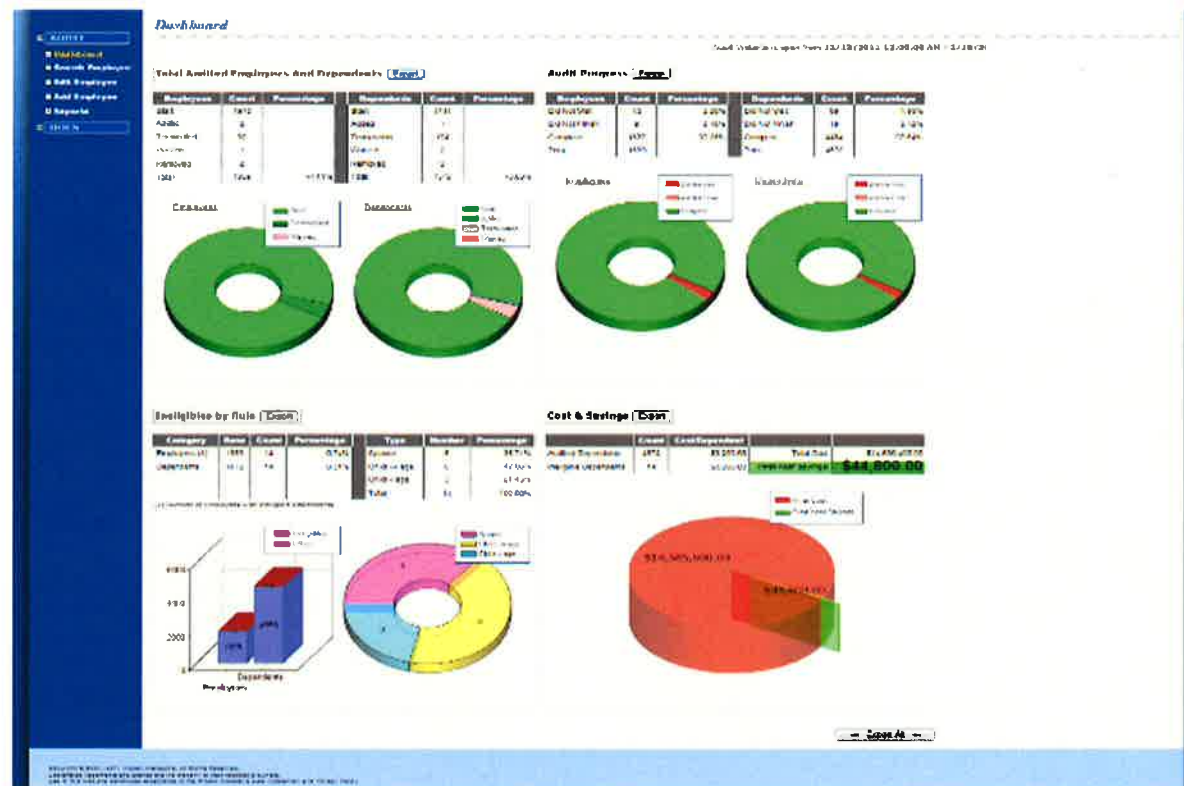
The screenshot displays the 'Expert Audit' interface for Crown Company. At the top, the company logo and name are visible. Below this, the user's name 'Emily Valentine' and 'Your Dependent Verification Status' are shown, along with contact information: 'Date of Birth: 11/09/1978 • Telephone: 978-870-8643'. A small disclaimer states: 'This page gives you the current verification status of all your covered dependents, and offers resources to help you successfully complete the verification process. Scroll down to see all the information. Return to this page any time before the deadline to check the current status of your dependents (13)'. The main section is titled 'Status of Covered Family Members' and includes a note: 'Here is the current status of each dependent. Click on the Dependent Type (Legal Marriage, Biological Child, and so on) in the middle of each box to see the documents you must submit for each family member.' There are six boxes, each representing a family member:

- Elizabeth Valentine**: Dependent Type: Grandchild. Reason: For this type of child to be eligible for coverage, you or your spouse must be the child's legal guardian or adoptive parent, and you must have the appropriate documents available to submit, if required. Status: **INELIGIBLE** (marked with a red 'X').
- John Valentine**: Legally Married. Status: **COMPLETE** (marked with a green checkmark).
- Julia Valentine**: Biological Child. Reason: To be eligible for coverage a child must be under 26. Status: **INELIGIBLE** (marked with a red 'X').
- Michael Valentine**: Biological Child. Status: **COMPLETE** (marked with a green checkmark).
- Addie Valentine**: Stepchild. Status: **INCOMPLETE** (marked with a yellow exclamation mark). A link 'Click Here for Documents' is provided.
- Daniel Valentine**: Child of Divorcee/Partner. Reason: A child of a divorcee/partner is not eligible for medical coverage. Status: **INELIGIBLE** (marked with a red 'X').

At the bottom, a note states: 'We will make recorded reminder calls to you until each dependent is listed as Complete. In addition, we will call you personally if documents are missing or incomplete. Please check this page for status updates.' A blue arrow icon points downwards.

OUR EXECUTIVE DASHBOARD PROVIDES INSTANT PROGRESS UPDATES FOR YOU.

Our Executive Dashboard will give you up-to-the-minute news about the progress of your audit. You'll instantly see audit statistics on: complete, eligible, ineligible, non-compliant, current savings, and much more. It's available to you and your staff 24/7.



EXPERT AUDIT PROVIDES COMPLETE AND COMPREHENSIVE REPORTS FOR YOU.

The Expert Audit reports you receive fall into 6 categories, and cover the full spectrum of information uncovered about dependents during the verification process. They are....

Eligible. These dependents passed the online affidavit, and submitted documents which matched and verified the statements made in the online affidavit.

Ineligible. These dependents were ineligible because of rule violations (divorced spouse), or non-compliance (incomplete or no response to affidavit or documents).

Removed. These dependents were deleted (should not have been audited), or waived (due to special circumstances), or terminated (left the employer) during the process.

Comments. Employees made positive or negative comments about the audit process, or, more importantly, appealed a ruling due to special circumstances.

Anomalies. This report highlights anomalies in the data (biological children, same family, DOBs less than 9 months apart) or information that requires further review by HR.

Data. The data capture report provides Coordination of Benefits information, census updates, and special data requests from HR.

YOUR INVESTMENT IN EXPERT AUDIT WILL DELIVER AN OUTSTANDING FINANCIAL RETURN.

Audit Population (Estimated)

Total Active Employees with Medical Coverage	327
Total Employees with Covered Dependents	253

Investment Required

Total Investment for Expert Audit	\$7,258
Payments: 1/2 at contract and 1/2 at final report	2 payments of \$3,629

Note: Fees proposed are subject to change if a division, subsidiary or affiliated company is added or deleted from the plan, or if the number of employees with covered dependent(s) changes by 5% or more from the data provided for this proposal. This proposal is valid for 60 days from date of the proposal.

EXPERT AUDIT WILL GUARANTEE EXCELLENT AUDIT PERFORMANCE AND RESULTS.

There are five critical ways to measure the success and performance of a Dependent Eligibility Audit that is built on a web-based, technology-driven, expert-system platform.

Internet Availability

Since 95-98% of employees will use the web to complete their audits, it is critical that the web be available 7 days a week, 24 hours a day during the audit period. If the web is not set up within the agreed-upon production period (usually 3 weeks), and subsequently, if it is not available to your employees 24/7, Impact Interactive will put **1% of its fees at risk**.

Call Center Availability

We have made a commitment to maintain a call center service level of 85/20. This means we will answer 85% of the incoming calls within 20 seconds. The longest time in the call center queue is 3 minutes, and the abandon rate is less than 2%. If we do not maintain this service level, Impact Interactive will put **1% of its fees at risk**.

Programming and Communications Accuracy

It is critical, in a technology-driven audit, that the programming be accurate. That is, your rules must be exact, the data must be uploaded correctly, and the navigation must work smoothly. Further, the employee communications materials must have accurate dates, times, passwords, directions, and so on. Here Impact Interactive will put **1% of its fees at risk**.

EXPERT AUDIT WILL GUARANTEE EXCELLENT AUDIT PERFORMANCE AND RESULTS – CONTINUED.

Document Processing Accuracy

The key elements in document processing are: efficient processing after documents arrive at our Audit Center, correct adjudication based on client rules, and accurate electronic distribution of received documents back to the client. We process documents quickly and correctly within a maximum of 3 business days from receipt. Also 100% of documents received are scanned, and returned to the client for its files. Here Impact Interactive will put **2% of its fees at risk**.

Return on Investment

The Dependent Eligibility Audit will achieve at least a break-even ROI where the return is calculated as the product of (1) the total number of dependents who are found to be ineligible for rule violations, and those found ineligible for non-compliance, and (2) your annual cost of healthcare per dependent, estimated as shown on the previous page. Non-compliant dependents are those for whom the employee did not attempt/complete the online affidavit, or did not submit/complete all required documents. Also non-compliance includes dependents who the employer termed, waived, or removed from the audit, and those identified by Impact as ineligible, but who were not removed from coverage by the employer. Performance will be calculated as of the last day of the agreed-upon audit period. Here Impact Interactive will put **5% of its fees at risk**.

Maximum Guarantee. Impact Interactive will put a **maximum of 10%** of its fees at risk for failing to meet its stated performance guarantees.

IMPACT INTERACTIVE HAS SERVED THE EMPLOYEE BENEFITS INDUSTRY FOR 28 YEARS.

Impact Interactive is an Atlanta-based data and technology company that has delivered innovative, flexible, and measurable solutions to the employee benefits industry since 1988. Impact Interactive is an industry pioneer—one of the first to use advanced web technology for dependent eligibility audits.

Corporate Structure

Impact Interactive is located in Suwanee, GA (a suburb of Atlanta), with a technical, marketing, and administrative staff of 20 employees. We are proud of our 28-year record of excellent service to employers nationwide. In 2015, Impact Interactive was acquired by AmWINS, a leading wholesaler of specialty insurance products and services. AmWINS – with 3,300 employees in 17 countries, and \$11 billion in annual premium – brings long-term strength and stability to its operating companies like Impact Interactive.

Outside Evaluation

Further, the company has been thoroughly vetted by major corporations such as Aflac, Arthur J. Gallagher & Company, UnitedHealthcare, and others. Having successfully completed the evaluation process, Impact has been chosen by these corporations as a strategic partner and valued service provider.

IMPACT INTERACTIVE HAS AN OUTSTANDING TRACK RECORD AS A TECHNOLOGY PARTNER.

Main Lines of Business

Impact Interactive, an AmWINS Company, has two lines of business: benefit enrollment systems and dependent eligibility audits. The Benefit Enrollment System called WeCare® is an industry standard, and has been used to enroll over 2 million employees.

The Dependent Eligibility Audit System is called Expert Audit® and is the only audit system that features an online affidavit, a verification document review, and a data capture function. Impact Interactive has successfully completed more than 325 Expert Audits, verifying the eligibility of over 1 million dependents. Expert Audits have saved employers more than \$250 million in annual healthcare costs.

Inspection and Maintenance Agreement

(I&M Agreement)

City of Morristown, TN
100 West 1st North Street
Morristown, TN 37814
(423) 581-0100

Inspection and Maintenance Agreement (I&M Agreement)

THIS AGREEMENT, made and entered into this 18th day of January, 2017, by and between Longboat Land Co LLC/ dba East Main Storage hereinafter called the "Landowner", and
(Insert Full Name of Owner)
the City of Morristown, TN hereinafter called "City".

WITNESSETH, that

WHEREAS, the Landowner is the owner of certain property described as _____
Map 026, parcel 16.07
_____ as recorded by deed in the last land records of
(Insert Hamblen County Tax & Parcel Number)

Hamblen County, TN, Deed Book 1662 Page 100-102, hereafter called the "Property".

WHEREAS, the Landowner is proceeding to build on and develop the property; and

WHEREAS, the Site Plan/Subdivision known as East Main Storage
(Name of Plan/Development)

hereafter called the "Plan", which is expressly made a part hereof, as approved or to be approved by the City, provides for management of stormwater within the confines of the property; and

WHEREAS, the City and the Landowner, its successors and assigns, agree that the health, safety and welfare of the residents of the City of Morristown, Tennessee, require that on-site stormwater management/BMP facilities be constructed and maintained on the Property; and

WHEREAS, the City requires that on-site stormwater management/BMP facilities, as shown on the Plan, be constructed and adequately maintained by the Landowner, its successors and assigns.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein, and the following terms and conditions, the parties hereto agree as follows:

1. The on-site stormwater management/BMP facilities shall be constructed by the Landowner, its successors, and assigns, in accordance with the plans and specifications identified in the Plan and shall, upon construction completion, be certified as such by the Plan's Engineer of Record.
2. The Landowner, its successors, and assigns, shall adequately maintain the stormwater management/BMP facilities as outlined in the Plan and contained within the Landowner's property. This includes all pipes and channels built to convey stormwater to and from the facility, as well as all structures, improvements, and vegetation provided to control the quantity and quality of the stormwater. Adequate maintenance is herein defined as good working condition, so that these facilities

are performing their design functions. Those maintenance procedures outlined in the Plan and the City's approved BMP guidelines shall be practiced at a minimum. Common maintenance shall include the removal of debris (leaves, lawn clippings, sticks, etc.) and trash after rainfall events, checking outlet structures for clogging and cleaning, as necessary, repairing erosive areas promptly upon observation, and removing accumulated sediment.

3. The Landowner, its successors, and assigns, shall inspect the stormwater management/BMP facility and report to the City Engineer if any major repairs (i.e. structural) are necessary. The purpose of the inspection and reporting is to assure safe and proper functioning of the facilities. The inspection shall cover the entire facilities, berms, outlet structure, pond areas, access roads, etc and shall be performed at such times and such manner as to accomplish these objectives.
4. The Landowner, its successors, and assigns, will perform the work necessary to keep these facilities in good working order as appropriate. In the event a maintenance schedule for the stormwater management/BMP facilities (including sediment removal) is outlined on the approved plans or in the City's BMP guidelines, the Landowner, its successors, and assigns, shall adhere to the schedule.
5. The Landowner, its successors, and assigns, hereby grant an easement to the City, its authorized agents, and employees, to enter upon the Property and to inspect the stormwater management/BMP facilities whenever the City deems necessary. The purpose of inspection may be to check the facility for proper functioning, to follow-up on reported deficiencies or repairs, to respond to citizen complaints, and/or to check for any other reasons the City deems necessary. If problems are observed, the City shall provide the Landowner, its successors, and assigns, copies of the inspection findings and a directive to commence with the repairs within a specified timeframe.
6. In the event the Landowner, its successors, and assigns, fails to maintain the stormwater management/BMP facilities in good working condition acceptable to the City, the City may enter upon the Property and take the steps necessary to correct deficiencies identified in the inspection report. This provision shall not be construed to allow the City to erect any structure of permanent nature on the land of the Landowner, outside of the easement, for the stormwater management/BMP facilities. It is expressly understood and agreed that the City is under no obligation to routinely maintain or repair said facilities, and in no event shall this Agreement be construed to impose any such obligation on the City.
7. In the event the City, pursuant to this Agreement, performs work of any nature or expends any funds in performance of said work for labor, use of equipment, supplies, materials, and the like, the Landowner, its successors, and assigns, shall reimburse the City upon demand, within sixty (60) days of receipt thereof, for two hundred percent (200%) of all actual costs incurred by the City hereunder.
8. If the Landowner fails to pay the City for two hundred percent (200%) of their incurred expenses within sixty (60) days of receipt of written notice, the Landowner authorizes the City to place a lien against the property in an amount equal to two hundred percent (200%) of said expenses.
9. If the Landowner fails to reimburse the City, as described above, the Landowner further authorizes the City to collect said expenses from the Landowner through other appropriate legal action, with the Landowner to be liable for the reasonable costs of collection, court costs, and attorney fees.

10. This Agreement imposes no liability of any kind whatsoever on the City, and the Landowner agrees to hold the City harmless from any liability in the event the stormwater management/BMP facilities fail to operate properly.
11. This Agreement shall be recorded among the land records of Hamblen County, Tennessee, and shall constitute a covenant running with the land, and shall be binding on the Landowner, its administrators, executors, assigns, heirs and any other successors in interest.

WITNESS the following signatures and seals:

Longboat Land Co LLC/ dba East Main Storage
 Company/Corporation/Partnership Name (Seal)
 By: x [Signature]
 Winston D. Cox
 (Type Name)
 Member
 (Type Title)

State of Tennessee
 County of Knox

The foregoing Agreement was acknowledged before me this 18 day of January, 2017,
 by _____

[Signature]
 Notary Public

My Commission Expires January 29, 2020



Approved as to form:
[Signature] 2-7-2017
 City Attorney Date

Approved by the City:

 Mayor Date



From the Desk of

Debbie Stamey

Deputy Clerk/Executive Assistant

(423) 585-4603

e-mail dstamey@mymorristown.com

TO: City Council

**RE: MAYOR'S APPOINTMENT OR RE-APPOINTMENT OF
BOARD/COMMISSION MEMBER**

DATE: February 17, 2017

The following Board/Commission Member's term will expire on March 1, 2017. This is an appointment, or re-appointment for a four (4) year term to expire on March 1, 2021, scheduled for the February 21, 2017, City Council meeting.

Morristown Regional Planning Commission

Term Expiring: Jack Kennerly

The above listed member has been contacted by city staff and indicated his willingness to serve another term.



From the Desk of

Debbie Stamey

Deputy Clerk/Executive Assistant

(423) 585-4603

e-mail dstamey@mymorristown.com

TO: City Council

RE: APPOINTMENT OF BOARD/COMMISSION MEMBER

DATE: February 17, 2017

Mayor Chesney will appoint a new member to the Planning Commission to fill the remainder of Doug Beier's term, (due to his resignation), expiring on March 1, 2019.

Debra Stamey

From: Gary Chesney
Sent: Thursday, February 09, 2017 11:22 AM
To: Debra Stamey
Cc: Tony Cox; Steve Neilson
Subject: Fwd: mpc and bza

Sent from my iPad

Begin forwarded message:

From: Doug Beier <dougbeier@charter.net>
Date: February 9, 2017 at 11:32:58 AM EST
To: <gchesney@mymorristown.com>
Subject: mpc and bza

Dear Mr. Mayor: after much consideration, I regret to inform you that I am resigning from the MPC and BZA due to the time demands of my law practice at this time. I have concluded that it is unfair to the Board, to the people of this City and to you to continue to serve without having the time to diligently attend to the important business this position demands. I have enjoyed my time on the commission and want to thank you, my fellow commissioners and the city staff for the opportunity and privilege of allowing me to serve. I wish all of you great success and Godspeed. Sincerely, Douglas R. Beier