



# Village of Willowbrook

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## AGENDA

Mayor

Robert A. Napoli

Village Clerk

Leroy R. Hansen

REGULAR MEETING OF THE FINANCE AND ADMINISTRATION  
COMMITTEE OF THE VILLAGE OF WILLOWBROOK TO BE HELD ON  
MONDAY, MARCH 11, 2013, AT 6:00 P.M. AT THE VILLAGE HALL, 7760  
QUINCY STREET, IN THE VILLAGE OF WILLOWBROOK, DUPAGE  
COUNTY, ILLINOIS.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MINUTES –
  - a. January 14, 2013 Regular Meeting of the Finance and Administration Committee
  - b. February 13, 2013 Special Joint Meeting of the Municipal Services, Finance & Administration, and Public Safety Committees - Budget
4. DISCUSSION – Village Employee Flexible Spending Plan – Contract with Discovery Benefits, Inc.
5. REPORT - Monthly Disbursement Reports – January & February 2013
6. REPORT - Sales Tax, Income Tax, Utility Tax, Places of Eating Tax, Fines, Red Light Fines, Building Permits, Water Revenues, Hotel/Motel Tax and Motor Fuel Tax
7. VISITOR'S BUSINESS
8. COMMUNICATIONS
9. ADJOURNMENT



*“A Place of American History”*

MINUTES OF THE REGULAR FINANCE AND ADMINISTRATION COMMITTEE MEETING OF THE VILLAGE OF WILLOWBROOK HELD ON MONDAY JANUARY 14, 2013 AT 6:00 P.M. IN THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, ILLINOIS.

**1. CALL TO ORDER**

The meeting was called to order by Trustee Davi at 6:14 p.m.

**2. ROLL CALL**

Those present at roll call were Trustee Umberto Davi, Trustee Frank Trilla and Interim Director of Finance Carrie Dittman.

**3. APPROVAL OF MINUTES**

Minutes of the Regular Finance/Administration Committee held on Monday, November 12, 2012 were reviewed. Motion to approve made by Trustee Davi. Motion carried.

**4. DISCUSSION - Proposal for FY 12/13 audit services - Wolf & Co**

Trustee Davi reviewed the engagement letter submitted by Wolf and Co, who has been providing auditing services to the Village for the past 3 years after the Village issued an RFP for auditing services for FY 09/10. Wolf's contract covered FY 09/10 through FY 11/12. They are proposing a 1 year extension to perform the FY 12/13 audit at a cost of \$24,800 (2.9% increase over FY 11/12 fees). Trustee Davi motioned to approve the engagement letter from Wolf & Co for the FY 12/13 audit. Motion carried.

**5. REPORT - Receipt of GFOA Distinguished Budget Award, FY 12/13**

Interim Director of Finance Carrie Dittman commented that the Village was notified by the Government Finance Officers Assn. (GFOA) that the Village was awarded the Distinguished Budget Presentation Award for the budget period May 1, 2012 - April 30, 2013. This is the 11<sup>th</sup> consecutive budget award the Village has received. Director Dittman also noted that the Village is currently working on the May 1, 2013 - April 30, 2014 budget and plans to submit that to GFOA for consideration when complete. Trustee Davi inquired as to where the award plaques are currently being housed; Trustee Trilla noted that they are stored in the Village Administrator's office. Trustee Davi noted that space permitting they should be displayed in the Council Chambers and will bring that up to the Village Board at a later date.

**6. REPORT - Monthly Reports - November & December 2012**

The Committee reviewed and highlighted the items below for the months of November and December.

- Total cash outlay for all Village funds - \$816,308 & \$1,536,679\*
- Ave. daily outlay of cash for all Village funds - \$27,210 & \$49,570\*
- Ave. daily expenditures for the general fund - \$21,265 & \$25,781\*
- Ave. payroll including all funds - \$141,321

\*Interim Director Dittman noted that the month of December was higher due to the annual sales tax sharing on the Town Center, semi-annual payment on the TIF notes and semi-annual payment on the 2008 GO Bonds, which are all paid in December.

7. **REPORT - Sales Tax, Income Tax, Utility Tax, Places of Eating Tax, Fines, Red Light Fines, Building Permits, Water Revenues, Hotel/Motel Tax and Motor Fuel Tax**

- Revenue totals reflect activity through December, with 2/3 of the fiscal year complete
- Sales tax receipts - \$2,433,691 up 3.47% from the prior year
- Income Tax receipts - \$495,662 up 11.40% compared to the prior year. Interim Director Dittman noted that the State of Illinois is still 3 months behind in remittances.
- Utility tax receipts - \$759,301 up 1.18% from the prior year, consisting of:
  - Telecomm tax - \$368,888, up 1.9%
  - Northern IL gas - \$56,600, down 25.1%
  - ComEd - \$337,333, up 6.7%
- Places of Eating Tax receipts - \$312,059 up 5.52% compared to the prior year
- Fines - \$88,532 down 19.77% compared with the prior year
- Red Light Fines - \$383,758 down 12.88% from the prior year
- Building Permit receipts - \$146,377 up 28.95% from the prior year
- Water sales receipts - \$1,720,704 up 29.95% from the prior year. Interim Director Dittman noted that this increase is due to the 20% increase the Village implemented at 3/1/12 to account for the 30% increase passed on to the Village from the DuPage Water Commission (DWC). The DWC had previously notified its customers that rates would be increasing another 20% effective January 1, 2013. The Village has not yet received the January invoice from DWC, however the Village is monitoring the health of the water fund as part of the FY 13/14 budget process to determine the need and effect of another water rate increase, which will be presented to the Village board in the budget workshop.
- Hotel/Motel Tax receipts - \$48,842 down 5.06% compared with the prior year
- Motor Fuel Tax receipts - \$177,526 down 3.21% compared with the prior year

The reports above were approved by Trustee Davi.

8. **VISITOR'S BUSINESS**

There were no visitors present at the meeting.

9. **COMMUNICATIONS**

There were no communications received.

**10. ADJOURNMENT**

Motion to adjourn was made by Trustee Davi.

The meeting was adjourned at 6:30 p.m.

(Minutes transcribed by: Carrie Dittman, 1/16/13)

MINUTES OF THE SPECIAL JOINT MEETING OF THE MUNICIPAL SERVICES COMMITTEE, THE FINANCE & ADMINISTRATION COMMITTEE AND THE PUBLIC SAFETY COMMITTEE OF THE VILLAGE OF WILLOWBROOK HELD ON WEDNESDAY, FEBRUARY 13, 2013 AT 5:30 P.M. IN THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, ILLINOIS.

**1. CALL TO ORDER**

The meeting was called to order by Administrator Halik at 5:40 p.m.

**2. ROLL CALL**

Those present at roll call were Trustees Sue Berglund, Umberto Davi, Terry Kelly, Mike Mistele, Frank Trilla, Village Administrator Tim Halik, Chief of Police Mark Shelton, Deputy Chief of Police Mark Altobella, Interim Finance Director Carrie Dittman, Public Works Foreman Tony Witt and Management Analyst Garrett Hummel.

**3. REVIEW - Fiscal Year 2013/14 Budget**

Administrator Halik began the meeting by explaining that the FY 2013/14 proposed budget includes a General Fund surplus of approximately \$180,000. This surplus equates to a projected fund balance of 182 operating days. Administrator Halik indicated that the surplus numbers and fund balance do not include the discretionary items which will be discussed during the Board Budget Workshop.

The next meeting on the budget schedule will be the Board Budget Workshop I scheduled for March 18, 2013.

Next, Administrator Halik explained that the proposed budget maintains all existing services and programs. Administrator Halik reiterated the General Fund will have 182 days (\$3,701,688) of operating expense in reserves. An operating day for the FY 2013/14 budget equates to roughly \$20,371. Finally, Administrator Halik explained the Five Year Plan used to develop the budget projections include conservative spending with no new or expanded services.

Administrator Halik next elaborated on the breakdown of the budget surplus. He explained the proposed budget does not include any major capital initiatives or salary increases for non-union employees (except for the elected official increases per ordinance). A salary increase for patrol officers of 2.5% has been included. Trustee Mistele commented on if it was a good time to discuss non-union raises. Administrator Halik explained that the topic of non-union raises is typically discussed at the Board Budget Workshop.

An increase of 5% is expected with respect to health insurance costs although the IPBC has not finalized their numbers for the upcoming year. Administrator Halik next briefly touched on the Village's two main pension programs (Police Pension & IMRF). He stated the police pension contribution decreased by 9.79% while the IMRF pension contribution increased by 2.12%. Administrator Halik pointed out that a complete breakdown of the surplus can be found on page 3 of the agenda packet.

Interim Finance Director Dittman next took over with an explanation of the Village's revenue sources. Director Dittman began by stating staff is projecting an overall revenue increase of 2%, which equates to roughly \$237,177 over the previous fiscal year. Director Dittman continued by examining each individual revenue source. She began with Sales Tax which is projected to decrease by \$46,374 when compared to the prior year. One reason highlighted by Director Dittman for the drop in sales tax is the upcoming Route 83 construction project. Next was Places of Eating Tax which projected no substantial change from the prior year. Utility Tax is expected to be down slightly around \$3,633. Income Tax is expected to increase by about \$79,454 based upon Illinois Municipal League (IML) projections. Amusement Tax is projected to decrease by approximately \$11,000. Trustee Davi inquired as to how other municipalities have handled the taxation of fitness clubs within their communities. Administrator Halik stated he would look into the question. Permit Fees are expected to increase by \$40,800. There is no expected change to the level of Red Light Camera Fines.

Administrator Halik returned to the topic of Village pensions by first elaborating on both the Police and IMRF pensions. The 9.79% decrease in Police Pension contribution translated into \$56,972. The rate of payroll for the Police Pension fund went from 27.6% to 30.1%. With respect to the IMRF pension, the 2.12% increase equated to approximately \$19,203 while the rate of payroll went from 17.95% to 20.07%. Finally, Administrator Halik provided background information on the Sheriff's Law Enforcement Pension (SLEP) program, which the Village is currently obligated to pay related to a settlement associated with a former Village Police Chief. Administrator Halik explained that Director Dittman suggested the Village consider paying off the entire SLEP amount of \$168,000 this coming year. Otherwise, the Village would be facing an annual payment of \$32,350 for 9 more years, which includes annual interest of 7.5%. The committee members concurred with Director Dittman's suggestion.

Administrator Halik next addressed concerns regarding the Water Fund. Administrator Halik began by providing a history of the City of Chicago and the DuPage Water Commission's (DWC) recent water rate increases and the subsequent water rate increases by the Village. As of January 1, 2013, the DWC raised water rates 20% in part due to the City of Chicago's 15% increase on the same date. The Village last increased its local water rates 20% on March 1, 2012. This increase included the introduction of a 6% discount program for residents, including seniors, who pay the minimum water bill (9,000 gallons per quarter). Administrator Halik continued by stating the Water Fund will be unable to absorb the current 20% DWC rate increase, while continuing to build an adequate reserve fund for future infrastructure maintenance projects. Administrator Halik further noted that the Village Board has not set a reserve balance target in terms of operating days (similar to the General Fund operating days in reserve objective of 120) for the Water Fund. Administrator Halik stated that based on his research into Water Fund reserve objectives, he would

recommend setting the Village's target at 90 days. Currently, the Water Fund reserve projects to be roughly 52 days at the end of the fiscal year.

When asked about the Chicago and DWC rate increases, Administrator Halik acknowledged that the increases tend to be frustrating from a water utility operational perspective. However, it seems that nationally, the water rates charged throughout the Midwest are comparatively very low. Halik indicated that he had previously spoken with a representative from the DWC regarding rates. The DWC representative explained to Administrator Halik that the water rates being charged in the Midwest are so far below the rates in other areas around the country that both Chicago and the DWC are being consistently denied federal grant funding for infrastructure improvements. The available federal funding tends to go to areas of the country that are faced with very large water rates. Administrator Halik next called attention to a handout, which detailed possible water rate increases for Willowbrook. Administrator Halik explained that in order to break-even, the Village would have to raise its rates 13.6%. Options of 17% and 20% were also presented. Administrator Halik recommended the 20% increase as it would help to rebuild the Water Fund reserve for future projects, such as the water tower painting project. If the 20% option is selected, the projected days operating in the Water Fund would be at roughly 95 days at the end of FY 2013/14. Trustee Kelly inquired as to when the Village needs to paint the water towers. In response, Administrator Halik explained that he had placed \$12,000 in the proposed budget to complete an engineering analysis to ascertain the current condition of the Willowbrook water towers and when they will need to be repainted. Administrator Halik clarified that the water tower painting project involves draining, sandblasting and re-painting/sealing the Village's water towers inside and out.

Administrator Halik next discussed the Motor Fuel Tax (MFT) Fund. He explained there will be approximately \$242,000 available in the MFT fund for use in the FY 2013/14 Road Program. Administrator Halik identified some good news related to the annual Roadway Maintenance Program in that the next year is a maintenance interval year in which no overlays are necessary. Instead, the Village can get by with a program centered on crack-sealing, full-depth patching and replacement of worn pavement markings throughout town. Administrator Halik believes the \$242,000 will be more than sufficient to complete the scope of work described above. Administrator Halik indicated the maintenance interval year will also help in building excess MFT funds necessary for the local share (\$232,000) needed to complete the STP grant road project in 2017.

Director Dittman began the financial performance section of the presentation. Echoing Administrator Halik's overview, Director Dittman explained the proposed budget projects 182 days of operating expense reserve. The FY 2012/13 budget comparatively projected at 135 days. However, the estimated actual FY 2012/13 budget currently projects at 182 days.

Director Dittman next went through several graphs detailing the revenues and expenditures for the upcoming year. Director Dittman explained that in the five-year forecasting model, revenue increase by 0.64% while expenses increase by 7.52% and even with this disparity the proposed budget includes a surplus translating into the 182 day reserve. Director Dittman continued on to the General Fund revenue projections, which came in at about \$7.9 million. It was pointed out on the General Fund graph that the state shared revenues of Sales Tax and Income Tax make up about 53% of the Village's General Fund.

Director Dittman presented the financial reports on the Village's major revenue sources: Sales Tax, Income Tax, Utility Tax, Places of Eating Tax, Red Light Fines, and Building Permits.

- Sales tax receipts - \$2,716,065 up 3.50% from the prior year
- Places of Eating Tax receipts - \$355,508 up 6.19% compared to the prior year
- Utility tax receipts - \$854,419 up 0.55% from the prior year
- Income Tax receipts - \$564,296 up 11.34% compared to the prior year
- Building Permit receipts - \$173,579 up 44.35% compared with the prior year
- Red Light Fines - Collected \$425,153 down 10.55% compared with the prior year
- Fines - \$109,192 down 10.99% compared with the prior year

Chief Shelton commented on the reasoning behind the decrease in fines by saying the PD was short an officer and the state has added a great deal of fees to each ticket. Trustee Trilla asked if it would be possible to set up a local court which would administer its own fines. Administrator Halik stated it is possible, but there are pros and cons to that approach. However, it could be something to consider.

Director Dittman next presented a graph detailing the FY 2013/14 General Fund expenditures totaling roughly \$7.7 million. Director Dittman continued by explaining a couple of short-term projection graphs which depict the Village's number of days operating expense through FY 2016/17. Director Dittman concluded the projection graphs with a long-range (15-year) graph which showed the Village dropping below its days of reserve target in roughly 2023-24.

Administrator Halik again touched on the Water Fund financials by pointing out that if the Village simply goes with a 13.6% pass through with respect to the Chicago and DWC water rate increase, the Water

Fund reserve will disappear by 2016.

Director Dittman presented the Water Sales Revenue Report next.

- Water Sales Revenue - \$1,859,921 up 28.92% when compared to the prior year.

Director Dittman explained the main reason for the increase from year to year was the 20% rate increase effective 3/1/12.

Director Dittman identified a graph detailing the FY 2013/14 Water Fund expenditures. Total Water Fund expenditures equal roughly \$2.3 million.

Director Dittman presented the Motor Fuel Tax Financial Report.

- Motor Fuel Tax - \$195,204 down 3.06% from the prior year.

Director Dittman pointed out that 2012-13 will be the last year where the \$38,491 special distribution from the Illinois Capital Bill will be included.

Administrator Halik took over with the start of the Departmental Budget presentations. He began with the Village Board and Clerk budget. The main highlights include raises of \$17,300 and \$2,850 for the Mayor and Village Clerk respectively.

Administrator Halik continued with the Board of Police Commissioners. The only item of note was a small increase related to life insurance for appointed officials.

Administrator Halik next began the Administration budget, which increased 4.58% over last year's budget. He started with an increase in the Legal Services line-item due to the upcoming police union negotiations. The Risk Management line-item increased because the IRMA premium is expected to increase due to increased annual revenues and a couple of less than favorable claim years. Funding has also been included for a wellness program initiative. Administrator Halik explained the Village is interested in beginning a wellness program because the Board has expressed interest in reinstituting police physical fitness testing. Administrator Halik explained that current police contract includes a physical fitness requirement; however the testing program is currently suspended. Trustee Berglund inquired as to how and why the program became suspended. Administrator Halik answered by saying several years ago, after a series of injuries occurred related to the fitness testing, the Village Board discussed the topic of the fitness program and its purpose. According to the record, no decision was made by the Board at the time. However, shortly thereafter, the previous Police Chief distributed a memo to the department suspending the program. It is unknown what actually led to that action. Administrator Halik explained that in order to prevent injuries if the fitness test is reinstated, a transition type approach, such as a 12 week fitness monitoring program provided by Midtown, might be a good idea. Trustee Trilla agreed with the concept of a transitional approach. Trustee Kelly suggested an

incentive based program, which would reward employees for taking part in wellness type initiatives that they would otherwise never have considered participating in. Administrator Halik also stated that \$2,400 has been included for a heart scan and blood workup for each employee. Trustee Kelly suggested the program be offered to Trustees as well. Administrator Halik agreed.

With regard to Administration capital items, Administrator Halik highlighted two projects. The first being a project to repaint the Village Hall side of the building. The second project is for a floor/carpet replacement in the Council Chambers, which has received a variety of complaints.

Administrator Halik continued with the Planning & Economic Development budget, which increased 2.85% over the previous year. The largest change to this budget came in the planning consultant line item, which was increased by about \$5,000.

The Parks & Recreation was the next budget discussed. Overall, this budget decreased by 6.7%. Administrator Halik explained the reason for the decrease is that there have not been any capital expenditures added to the Parks & Recreation budget, yet. Administrator Halik also stated that the Parks & Recreation department is interested in hiring a part-time laborer to assist with various park related tasks.

Trustee Kelly inquired as to the status of the Parks & Recreation Master Plan. Administrator Halik responded that a draft of the plan is due in March. Once a draft of the document is obtained, Administrator Halik suggested the scheduling of a joint meeting between the Village Board and Parks & Recreation Commission to discuss the findings. Finally, Administrator Halik explained that the Parks & Recreation department is considering an ADA improvement capital project at Waterford Park for this fiscal year.

Director Dittman took over for the explanation of the Finance budget, which decreased by 1.41% from last year's budget. The main highlight from this budget was the inclusion of \$9,200 for an ERP assessment. Director Dittman explained the reasoning behind the ERP assessment is to examine alternatives to the Village's current aging financial software. The ERP assessment would provide an overview of all functionality the Village would need from its financial software from accounts receivables to business licenses to water billing and parks & recreation registration.

Chief Shelton next presented the Police department budget, which increased by 6.77% over the previous year's budget. Chief Shelton began with increases to the Overtime line-item of \$33,900 due to the department being short an officer. Chief Shelton next spoke on the use of approximately \$58,000 in DEA funding to get a wireless camera system set up in each patrol vehicle. Chief Shelton explained the technology would wirelessly download the video feed from each patrol vehicle to the Police Department's server upon the vehicle returning to the station.

Administrator Halik pointed out the SLEP buy-out of \$122,650 mentioned earlier in the presentation is already included in the Police Department budget. Chief Shelton next touched on the addition of \$10,000 for the new CAPERS report writing system. Chief Shelton wrapped up his portion of the presentation by discussing the capital items included in the Police budget. Two squad cars are scheduled to be replaced in the next year estimated at \$78,000. Two small projects, sound proofing the interrogation rooms and adding an exhaust fan to the evidence room have been included for \$2,500 apiece.

Administrator Halik presented the Public Works budget beginning with a \$203,150 increase to the tree maintenance line-item for the introduction of Emerald Ash Borer (EAB) Abatement Program. Administrator Halik explained the tree inventory conducted in the previous fiscal year identified 239 trees which are on the recommended removal list for the next year. After gathering some preliminary price estimates, staff concluded the Village could remove and replace each tree for roughly \$850 each. Trustee Kelly asked if the Village was going to allow private residences to be included within the EAB Abatement Program. Administrator Halik commented that the Village would include a public participation component in the RFP's. This would allow the public to receive the same removal/planting rates that the Village receives. Administrator Halik also explained his primary fear with the quantity of removals/replacements is if we experience draught conditions this upcoming year. With that in mind, Administrator Halik suggested the hiring of two part-time seasonal employees who would use the Village's water truck and water each replacement tree as needed. Administrator Halik explained the EAB Abatement Program will be a multi-year (3-5 year) endeavor, but that the first year will likely be the most expensive.

Administrator Halik concluded the Public Works department budget with an examination of upcoming capital expenses. The Village's only medium sized dump truck is in bad need of replacement with an estimated replacement cost of \$70,000. Half this expense (\$35,000) has been budgeted in the Public Works budget while the other half has been put in the Water Capital budget. Finally, \$28,000 has been included for entry signs for the Village. Administrator Halik explained this project may receive funding from an Illinois Transportation Enhancement Program (ITEP) Grant. Overall, the Public Works budget increased by 24.64% over last year's budget.

Administrator Halik next covered the Building & Zoning budget highlighting an increase of \$5,000 in overtime due to the volume of expected permit applications. Trustee Kelly expressed concern over the difficulty in finding information on the Building & Zoning section of the Village's website. Management Analyst Hummel agreed to place a link to that particular section of the website on the homepage. Overall, the Building & Zoning budget increased by 3.46% over last year's budget.

Administrator Halik continued with the Water Fund budget highlighting

several items, which resulted in a 3.25% increase over the previous year's budget. Funding has been included for a part-time seasonal laborer as well as a software upgrade for the SCADA system, which is used to run the Village's water system. Administrator Halik explained an additional \$22,500 has been included for main break repairs as the Village has seen an increase in breaks. Administrator Halik concluded the Water Fund budget by stating there is a \$109,043 increase included due to the DWC water rate increase discussed earlier in the evening.

Administrator Halik quickly touched on two items included in the Water Capital Fund and they are \$35,000 for the other half of the Public Works dump truck replacement and \$25,000 for the continuation of the Village's fire hydrant replacement program.

Director Dittman presented the Hotel/Motel Financial Report.

- Hotel/Motel Tax - \$51,110 down 4.84% from the prior year.

Director Dittman briefly went over the Hotel/Motel budget explaining the budget went down 25.63% because there had been a large promotional effort during the previous fiscal year.

Director Dittman next explained the Tax Increment Financing (TIF) Fund. She began with the addition of \$10,000 in the Accounting Fees line-item due to the amount of time spent on TIF related projects. The \$10,000 is not a new cost, but is rather a transfer from the Finance Accounting Fees line-item. Trustee Kelly inquired as to what the process moving forward looks like for the Village since the TIF is expiring in the next year. Director Dittman acknowledged the question by saying she spoke with the County and the Village is required to notify the parties in the TIF of the upcoming expiration. Also, an attorney will be needed to review the TIF closing documents. On a side note, Director Dittman noted that the SSA is still active through 2026.

Administrator Halik presented the Water Capital Improvements Fund next starting with the \$12,000 Water Tower Engineering Analysis Project, which was discussed earlier in the meeting. Another \$12,000 has been included for a Water Valve Insertion Project. Finally, there has been \$24,000 included for the replacement of Meter Transmitting Units (MTU's). Administrator Halik explained that MTU's are the pieces of equipment that allow the Village's water department to remotely collect water consumption readings. Each water account has an MTU attached to its water meter. These MTU's transmit readings to one of three Data Collection Units (DCU's), which in turn, transmit the readings into the Village's billing software. When the system was installed in 2001, we were advised that the battery life of an MTU was 15-20 years. Unfortunately, the Village has been experiencing a great deal of battery failures over the past two months. Because of the early failures, the manufacturer has offered a rebate on replacements, which has helped to defray the costs a bit. The Village is looking at the required replacement of 2,228 MTU's within the coming year or two. The cost of the replacement equipment only is about \$100 per MTU, without the rebate. Administrator Halik explained Downers Grove has

also been experiencing the same issues with their system, but after some research has elected to continue using the same manufacturer. Trustee Mistele commented that the Village appears to be locked into a 10-15 year cycle for replacements. Administrator Halik explained that the lifespan of an MTU should be at least 15 years. He advised that this issue is relatively new within the last 2 - 3 months, and that the problem is currently being examined by staff. A plan will be devised in the near future and brought to the Village Board for consideration.

Director Dittman explained the 2008 Bond Fund. Trustee Kelly asked if the Village has considered refinancing the debt from the Public Works Building/75<sup>th</sup> Street Extension Project. Director Dittman said she would look into the suggestion.

Director Dittman explained the Land Acquisition, Facility Expansion & Renovation (LAFER) Fund. Director Dittman said currently there are no planned expenditures, but there is \$3.2 million in the fund. Administrator Halik commented that the \$155,000 Waterford Park project could potentially be funded using this fund. Trustee Davi inquired as to where this money is kept and whether it is earning any interest. Director Dittman said if the money is not being used, the Village should look into various investment options.

Administrator Halik concluded the meeting by reminding the Village Board of the Board Budget Workshop, which is scheduled for March 18, 2013. At the workshop, staff will present discretionary items, such as archive file storage, which are not currently in the budget and were not presented tonight. Administrator Halik also invited each committee member to review the budgeted item highlight sheets located at the end of the budget packets and contact him with any questions. Finally, he thanked all meeting attendees for their time and the feedback offered during tonight's meeting.

#### **4. VISITOR'S BUSINESS**

There were no visitors present at the meeting.

#### **5. ADJOURNMENT**

Motion to adjourn was made by Trustee Davi. Trustee Mistele seconded the motion.

The meeting was adjourned at 7:50 p.m.

(Minutes transcribed by: Garrett Hummel, 2/27/13)

## MUNICIPAL SERVICES COMMITTEE MEETING

### AGENDA ITEM SUMMARY SHEET

AGENDA ITEM DESCRIPTION	COMMITTEE REVIEW
<b>DISCUSSION – Village Employee Flexible Spending Plan - Contract with Discovery Benefits, Inc.</b>	<input checked="" type="checkbox"/> Finance/Administration <input type="checkbox"/> Municipal Services <input type="checkbox"/> Public Safety <b>Meeting Date:</b> March 11, 2013
<input type="checkbox"/> Discussion Only	<input type="checkbox"/> Approval of Staff Recommendation (for consideration by Village Board at a later date)
<input type="checkbox"/> Seeking Feedback	<input checked="" type="checkbox"/> Approval of Staff Recommendation (for <u>immediate</u> consideration by Village Board)
<input type="checkbox"/> Regular Report	<input type="checkbox"/> Report/documents requested by Committee
<b>BACKGROUND</b>	
<p>The Village has adopted an Internal Revenue Code Section 125 Cafeteria Plan ("125 Plan") for eligible employees. This plan allows employees to make an annual election to deduct a portion of their payroll check, pre-taxed, to be placed into a separate Flexible Spending Account (FSA) which can then be used to pay for eligible medical and dependent care expenses. The Village previously contracted with AFLAC to assist in the administration of the plan. The current plan year is July 1st through June 30th.</p>	
<p>Last summer, we were notified of pending changes to the AFLAC program which would have required the Village to contract with yet another third-party billing vendor to administer the plan. At the time, the Village Attorney reviewed the draft contract document and noted objectionable language within. Although a meeting was held with AFLAC representatives in an attempt to work through the language issues, in January 2013 we received notification from AFLAC that their services provided to us would end after February 28, 2013.</p>	
<b>REQUEST FOR FEEDBACK</b>	
<p>In order to finish out the plan year for the employees that are currently participating in the program, we need to obtain a new third-party plan administrator. After soliciting proposals from several vendors, we identified Discovery Benefits, Inc. (DBI) through our current health insurance provider. DBI offered the lowest proposal (\$4.90 per participant, min. \$50 per month) to assist in the administration of the program. The Village Attorney has reviewed the attached contract and finds no objection to the proposed terms.</p>	
<b>STAFF RECOMMENDATION</b>	
<p>Staff would recommend approval of the contract.</p>	

## Reimbursement Account Administrative Services Agreement

This Administrative Services Agreement ("Agreement") is entered into by **Village of Willowbrook** ("Employer") and **Discovery Benefits, Inc.** ("DBI") as of 07/01/2013 ("Effective Date").

### Recitals

3/15/2013 T. Hahn

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" or "TSA"). 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 a sample plan document(s), summary plan description(s) and other documents relating to the administration of the Plan. It is the Employer's responsibility to ensure that the documents are legally compliant for purposes of the Employer's needs and business, are appropriately completed, are in compliance with the requirements of the Employer's Plan and are appropriately and timely adopted by the Employer. The Employer shall provide DBI with an executed copy of the plan document.

#### 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 provide a sample plan document, summary plan description and other applicable documentation, which shall be up-to-date based on any legal or regulatory requirements then in effect, and DBI's internal policies and procedures, which may be changed by DBI from time to time. Periodically, DBI shall provide necessary Plan amendments to the sample Plan documents for review by the Employer's legal counsel. If the Employer provides its own plan document and/or summary plan description, DBI shall not be obligated to provide any amendments or updates other than those described in the preceding sentence. It is the Employer's responsibility to ensure that the amendments and other revisions are legally compliant for the Employer's purposes, 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

# Reimbursement Account Administrative Services Agreement

for the accuracy of any information provided by the Employer in preparation of any of these reports nor shall DBI be responsible for 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. Administrative forms are available on the Internet at [www.discoverybenefits.com](http://www.discoverybenefits.com). 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.

## 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 Section 503 of ERISA, if applicable. To the extent that DBI provides foreign language assistance to a participant, Employer shall reimburse DBI for any related fees and expenses.
- c) DBI shall establish a procedure to receive appeals of initial denials of benefit claims. DBI shall be responsible for making the decision to allow or deny all appeals of denied benefit claims and for notifying each participant of the decision regarding the appeal consistent with section 503 of ERISA, if applicable. In making the decisions regarding claims for benefits and appeals of denied claims, DBI shall have discretionary authority to construe and interpret the terms of the Plan and to determine whether a claim is properly payable under the Plan. Notwithstanding anything herein to the contrary, the Employer shall be responsible for making any and all eligibility determinations. 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 monthly 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

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 applicable fees and expenses that are owing to DBI pursuant to this Agreement (or any other agreement between the Employer and DBI). Any unclaimed amounts, including any previous reimbursement checks or other similar methods of payment that have been issued but remain unendorsed or uncashed, and that remain unpaid after the end of the run-out period selected by the Employer, shall be returned to the Employer, minus any applicable fees and expenses that are owing to DBI pursuant to this Agreement (or any other agreement between the Employer and DBI). The direct terms of an applicable Plan document may alter the forfeiture provisions of this subsection with respect to only a Plan participant.

# Reimbursement Account Administrative Services 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 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.

## 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 and provided all service fees have been paid and funding obligations have been met, 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 Claims Fiduciary

DBI has a fiduciary duty only to the extent described in Section 1.8. All remaining fiduciary duties under this Agreement are the responsibility of the Employer.

## 1.17 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.

## 1.18 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 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. 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 at least sixty (60) days advance 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.
- 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.

# Reimbursement Account Administrative Services Agreement

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.

## 1.19 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 to pay for eligible expenses under the Plan with a debit or other stored-value card 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.

## 1.20 Overpayments

If DBI determines that it has paid Plan benefits to an ineligible person or for more than the appropriate amount, DBI shall undertake a good faith effort to recover such erroneous payment. DBI shall have the sole discretion to determine what constitutes a "good faith effort" for purposes of this provision, which efforts may vary from time to time according to the circumstances of the overpayment, but may include DBI's attempt to contact the participant twice via letter, phone, email or other means regarding the recovery of the payment at issue. The Employer shall cooperate fully with DBI's efforts to recover overpayments of Plan benefits pursuant to this Section 1.20.

## 1.21 External Review

To the extent that the external review requirements set forth in 29 CFR § 2590.715-2719, shall apply to the Plan, DBI shall serve as a conduit for external review requests. In that regard, DBI shall send appropriate information to, and shall cooperate fully with, the external review organization conducting the review. Any fees and/or expenses related to a request for external review shall be paid by the Employer. If DBI pays any such fee or expense on behalf of Employer, Employer shall reimburse DBI promptly upon request.

## 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.

# Reimbursement Account Administrative Services Agreement

## 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.

## 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 may the Employer adopt any amendment that would alter DBI's duties hereunder without prior written consent of DBI. In addition, DBI shall have no obligation to provide any Plan amendments or updates to the Employer other than as described in Section 1.4.

## 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 and/or the Summary of Benefits and Coverage.

## 2.8

### **Non-discriminatory Plans – 125 Plan and FSA**

At no additional charge, DBI shall perform the following three quantitative non-discrimination tests based on information provided by Employer: Section 125 25% Key Employee Concentration Test; Section 129 More than 5% Owners Concentration Test; and Section 129 55% Average Benefits test. The standard non-discrimination tests described in the preceding sentence shall be performed twice during the plan year unless the parties agree otherwise. All other non-discrimination tests are the responsibility of the Employer to complete. However, for an additional charge, DBI may provide other non-standard non-discrimination testing services, including re-running a test that is failed. The Employer must provide DBI with the information that DBI needs to perform the nondiscrimination testing services required under this Agreement. This information must be provided in the file format required by DBI. The Employer's HRIS/payroll system is the system of record for non-discrimination testing information, and DBI may rely on the information provided by the Employer in performing any testing. Employer shall maintain a non-discriminatory Plan or, shall be responsible for taking any immediate corrective action required in the event the Plan becomes discriminatory. DBI shall cooperate with the Employer fully to implement any corrective action that is required as a result of the failure or potential failure of one or more applicable discrimination tests.

## 2.9

### **Non-discriminatory Plans – HRA**

All HRA non-discrimination tests are the responsibility of the Employer to complete. However, for an additional charge, DBI may provide non-discrimination testing services for the HRA, including re-running a test that is failed. The Employer must provide DBI with the information that DBI needs to perform the nondiscrimination testing services required under this Agreement. This information must be provided in the file format required by DBI. The Employer's HRIS/payroll system is the system of record for non-discrimination testing information, and DBI may rely on the information provided by the Employer in performing any testing. Employer shall maintain a non-discriminatory Plan or, shall be responsible for taking any immediate corrective action required in the event the Plan becomes discriminatory. DBI shall cooperate with the Employer fully to implement any corrective action that is required as a result of the failure or potential failure of one or more applicable discrimination tests.

## 2.10

### **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. Disbursements will not be made until the amounts are credited to the Custodial Account.

# Reimbursement Account Administrative Services Agreement

## 2.11 Deduction/Contribution Based Funding

If Deduction/Contribution Based Funding is selected (Exhibit A), Employer shall establish a pre-determined initial deposit (known as the "Minimum Account Balance") within the Custodial Account that will 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 transfer 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, DBI shall have the immediate right to suspend or terminate all services under this Agreement after providing written notice of the deficiency to the Employer (see "Termination" section below).

## 2.12 Debit Card Payments

All participants in the Health FSA, Dependent Care FSA, Transportation Fringe Benefit Plan (TSA) or a comprehensive HRA shall automatically receive one or more debit cards. The terms of the debit card provisions shall control and are incorporated as Exhibit C.

## 2.13 Ownership of Account Asset

All amounts transferred by the Employer to 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 transferred by the Employer shall only be disbursed from the Custodial Account by DBI or any of its designees, if it is an allowable Plan expense as determined by the Employer or its representative (including DBI), or as otherwise required by a court of appropriate jurisdiction.

## 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's standard administrative procedures include administration of Health FSAs and Limited Health FSAs based on the assumption that Employer's Health FSA and Limited Health FSA (as applicable) are HIPAA excepted benefits under DOL Reg. Section 2590.732(c)(3)(v) and Treas. Reg. Section 54.9831-1(c)(3)(v). To the extent that Employer's Health FSA and Limited Health FSA (as applicable) are not HIPAA excepted benefits, Employer shall be responsible for any compliance requirements set forth in ERISA Part 7 and Chapter 100 of the Code. 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 Appoalntment 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 one or more depository accounts (the "Custodial Account") at State Bank & Trust, Fargo, ND (the "Bank") and hold in such Custodial Account all Employer Funds initially transferred 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 (or one or more Custodial Accounts as determined by DBI). 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 (minus any applicable fees or other costs as set forth in this Agreement). 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 transferred by the Employer to 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

# Reimbursement Account Administrative Services Agreement

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 (minus any applicable fees or other costs as set forth in this Agreement), 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 2.11 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 established by DBI for this purpose, and as set forth in the Plan or as otherwise agreed upon or directed by Employer. DBI shall neither have nor shall be deemed to have any discretion, control, or authority with respect to the disposition of Employer Funds.

## 3.5 Compensation

Employer acknowledges and understands that DBI may receive interest from time to time on the funds held in the Custodial Account and that any such interest received by DBI shall be part of DBI's compensation. Employer acknowledges and understands that compensation otherwise charged by DBI for services under this Agreement would be higher if it did not retain such interest on these funds. The period during which interest may be earned begins on the date(s) the funds are transferred to the Custodial Account and ends when this Agreement terminates. Funds shall be disbursed on a first-in-first-out basis.

## 3.6 Maintenance of Records

Upon the Employer's written request, DBI shall provide the Employer with an accounting of all assets, transfers and transactions involving the Employer's 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.

## 3.7 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 sixty (60) 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.

DBI represents and warrants that it has implemented and maintains a written and comprehensive information security program, and complies with all applicable laws and regulations, including without limitation state privacy and data security laws and regulations, such as the Massachusetts Standards for the Protection of Personal Information of Residents of the Commonwealth (201 CMR 17.00).

THRU 6/30/2013 T.H.

## 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 twelve (12) month term. Notwithstanding the foregoing, DBI reserves the right to increase fees at any time that are caused by Federal postal rate increases, increases in bank fees, or that are due to Federal legislative changes. DBI reserves the right to increase fees 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 sixty (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.

# Reimbursement Account Administrative Services Agreement

## 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 administrative fee for any service provided by DBI to Employer 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;
- 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; or
- 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 thirty (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 sixty (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 with respect to any claims that are received by DBI on or before the date agreed to by the parties in writing.

## 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 received after the "run-out period" terminates and the Employer shall be immediately responsible for all aspects of its Plan, including the processing of all 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 the deduction of applicable unpaid fees and other expenses under this Agreement or any other agreement between the parties. If necessary, DBI shall have the immediate right to demand and pursue collection of any unpaid 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 or any other agreement between the parties.

## 6.6 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 Compliance with Anti-Rebating Laws

Employer represents and warrants that, if someone other than Employer is paying DBI's fees on behalf of the Employer, such payment shall not violate any applicable anti-rebating laws. Furthermore, Employer agrees to hold DBI harmless (including reasonable attorneys fees and costs) from any and all losses which may result from a breach of this provision.

### 7.3 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 undisputed 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, individual premium reimbursement accounts, qualified transportation programs or health savings accounts, DBI shall be permitted to deduct the past due undisputed amount from any funds held by DBI that were provided by the Employer pursuant to this Agreement or any other agreement between the parties without prior notice and without prior approval of the Employer. This right of offset

# Reimbursement Account Administrative Services Agreement

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.

## 7.4 Participant Definition

Reimbursement Account participants (FSA, HRA, IPA and TSA) 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

Except as expressly provided otherwise in this Agreement, Employer has total control and discretionary authority over the Plan and the manner in which it is operated. 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 1.16. 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, this Agreement 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. Employer agrees that use of or offset of amounts in the Custodial Account to pay for fees or other amounts due to DBI under this Agreement or any other agreement between the parties shall constitute an Employer action that is authorized by the Employer under this Agreement. Employer agrees that such actions are not discretionary acts of DBI and do not create fiduciary status for DBI. 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.

### 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, fee, assessment and/or penalty is assessed against or with respect to the Plan and/or the services provided by DBI pursuant to this Agreement, and DBI is required to pay that tax, fee, assessment and/or penalty, DBI shall report the payment to the Employer and the Employer shall promptly reimburse DBI for such amount. Without limiting the generality of the foregoing, this provision shall apply to the patient-centered outcomes research fee owed pursuant to Sections 4375 or 4376 of the Internal Revenue Code. The Employer is at all times responsible for the tax consequences in the establishment and operation of the Plan.

### 8.7 Indemnification

- a) Subject to the limitations in Section 8.8, DBI will be liable to and will defend, indemnify and hold harmless Employer, and its 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 Employer in connection with any threatened, pending or adjudicated claim, demand, action, suit or proceeding by any third party which was caused solely and directly by DBI's willful misconduct, criminal conduct, material breach of the Agreement, or violation of the HIPAA privacy or security rules related to or arising out of the services performed by DBI under this Agreement.

# Reimbursement Account Administrative Services Agreement

- b) Except as provided in (a) above, Employer will be liable to and will defend, indemnify and hold harmless DBI, and its 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 in connection with any threatened, pending or adjudicated claim, demand, action, suit or proceeding by any third party which was caused solely and directly by Employer's willful misconduct, criminal conduct, material breach of the Agreement, or violation of the HIPAA privacy or security rules related to or arising out of the services performed by DBI under this Agreement.
- c) The party seeking indemnification under (a) or (b) above must notify the indemnifying party within twenty (20) days in writing of any actual or threatened action, suit or proceeding to which it claims such indemnification applies. Failure to so notify the indemnifying party shall not be deemed a waiver of the right to seek indemnification, unless the actions of the indemnifying party have been prejudiced by the failure of the other party to provide notice within the required time period.
- d) In the event of a legal, administrative or other action arising out of the administration, processing or determination of a claim for Plan benefits which is filed or asserted against DBI ("Claim Litigation"), DBI may, at its election, select and retain its own counsel to protect its interest. DBI shall be responsible for payment of all legal fees and expenses reasonably incurred by it in defense of Claim Litigation unless the Claim Litigation is attributable to the Employer's actions or inactions in which case the Employer shall be responsible for payment of DBI's legal fees and expenses. DBI shall consult with the Employer before settling Claim Litigation, but DBI shall have the sole discretion to resolve Claim Litigation at the Employer's expense in a reasonable manner and for a reasonable amount under the circumstances. DBI and the Employer shall cooperate fully with each other in the defense of Claim Litigation. In addition, nothing in this subsection (d) shall prevent DBI and/or the Employer from pursuing any rights that such party has under subsection (a) or (b) of this Agreement.

## **8.8 Limitation of Remedies**

In no event shall either Party be liable to the other for consequential, special, exemplary, punitive, indirect or incidental damages, including without limitation any damages resulting from loss of use or loss of profits arising out of or in connection with this Agreement, whether in an action based on contract, tort (including negligence) or any other legal theory whether existing as of the Effective Date or subsequently developed, even if the Party has been advised of the possibility of such damages. In addition, notwithstanding any other provision in this Agreement to the contrary, the maximum total liability of DBI to Employer shall be limited to direct money damages in the dollar amount that is available to cover such liability under the insurance policy or policies provided for in Section 8.21. This remedy is Employer's sole and exclusive remedy. No action under this Agreement may be brought more than two years after the cause of action has accrued.

## **8.9 Authority**

Neither party to this Agreement, when dealing with the other party in relation to the Plan, will be obliged to determine the other party'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 it will keep Materials confidential and will use commercially reasonable efforts to prevent and protect the content of Materials from unauthorized use.

## **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 constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements and understandings regarding the subject matter hereof, whether written or verbal. Any amendment to this Agreement must be in writing and signed by authorized representatives of both Parties.

## **8.13 Legal Notice**

DBI shall not be bound by any communication until it has been received at its office at 3216 13<sup>th</sup> 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.

# Reimbursement Account Administrative Services Agreement

## **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.

## **8.15 Assignment**

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. Neither party may assign any of its rights under this Agreement 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 (other than the Employer's obligation to provide funding for claims or pay service fees) 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 Insurance**

During the term of this Agreement, DBI shall maintain general and professional liability insurance with policy limits of not less than \$1,000,000 per occurrence and in the aggregate for the purpose of providing coverage for claims arising out of the performance of its services under this Agreement. Upon request, DBI shall provide Employer with a certificate or certificates of insurance reflecting such insurance coverages.

## **8.22 Survival**

The provisions of Section 2.1, Section 2.15, Article 4, Section 6.4, Section 7.2, Section 8.6, Section 8.7, Section 8.8 and Section 8.10 shall survive the termination of this Agreement.

## **8.23 Miscellaneous**

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. 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.

# Reimbursement Account Administrative Services 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:**

Print Name and Title

**Signed for Discovery Benefits by:**

Suzanne Rehr, Chief Risk Officer/EVP

Signature

**Employer Address (for 8.13 Legal Notice purposes)**

Signature

3216 13<sup>th</sup> Avenue S. Fargo, ND 58103

# Reimbursement Account 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="checkbox"/>
Flexible Spending Accounts (FSA)	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>
Limited Purpose Health FSA (Limited Health FSA)	<input type="checkbox"/>	_____	<input checked="" type="checkbox"/>
Individual Premium Account (IPA)	<input type="checkbox"/>	_____	<input checked="" type="checkbox"/>
Health Reimbursement Arrangement (HRA)	<input type="checkbox"/>	_____	<input checked="" type="checkbox"/>
Limited Purpose HRA (Limited HRA)	<input type="checkbox"/>	_____	<input checked="" type="checkbox"/>
Transportation Fringe Benefit Plan (TSA)	<input type="checkbox"/>	_____	<input checked="" type="checkbox"/>

**A.2 Funding Method**

Claims Based	<input checked="" type="checkbox"/>
Deduction/Contribution Based	<input type="checkbox"/>

**A.3 Debit Card**

<input checked="" type="checkbox"/>
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**A.4 Record-Keeping.** The record-keeping services provided by DBI for the Plans, include the following:

<b>Benefits</b>	
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
<b>Record-Keeping</b>	
Debit Card (as provided in Exhibit C)	Included
Claims Based or Deduction/Contribution Based (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 1/2 month grace period extension, if applicable	Included
Archive records for 7 years	Included
<b>Reporting and Communication – Employer</b>	
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

# Reimbursement Account Administrative Services Agreement

<b>Reporting and Communication – Participant</b>	
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
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 7:00 a.m. to 7:00 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
<b>Compliance, Reporting and Disclosure</b>	
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% Key Employee Concentration Non-discrimination Testing	Included
Section 129 55% Average Benefits Non-discrimination Testing	Included
Section 129 More than 5% Owners Concentration Non-discrimination Testing	Included
Additional 125 Plan and FSA non-discrimination testing and related services	Additional Fee
Health Reimbursement Arrangement 105(h) non-discrimination testing services	Additional Fee

# Reimbursement Account Administrative Services Agreement

## EXHIBIT B Fee Schedules

<b>FSA Administrative Fees</b>	
<b>Monthly Administrative Fee</b> <ul style="list-style-type: none"> <li>• Includes Dependent Care</li> <li>• Includes Benefits Debit Card</li> <li>• Spouse, dependent and replacement cards available at no fee</li> </ul>	\$4.90 per FSA Participant per month
<b>Enrollment Meetings</b>	\$350 per day plus travel expense
<b>Enrollment Materials</b>  (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.)	Included for standard materials, unassembled.
<b>Postage and Printing</b>  (Additional charges may apply for non-standard and/or expedited requests.)	Included for standard mailings and materials
<b>Plan Document and SPD</b>	Included
<b>Direct Deposit</b>	Included
<b>Electronic File Transfers</b>	Included
<b>Minimum Monthly Fee</b>  (Applies only if the monthly administrative fee times the number of participants is less than this amount.)	\$50.00
<b>Discovery does not charge implementation, set-up or renewal fees of any kind.</b>	
<b>Fees are guaranteed for five years. Fees are quoted net of commissions.</b>	

# Reimbursement Account Administrative Services Agreement

<b>125 Plan and FSA Non-Discrimination Testing – Clients</b>	
A) Standard Tests See below for the list of Standard tests	Included for two test runs per plan year
B) Cafeteria Plan Only (Premium Only Plan/Premium Conversion Plan) See below for the list of Cafeteria Plan tests	\$250 per plan year (two test runs per plan year)
C) Expanded Testing See below for the list of Expanded tests	\$500 per plan year (two test runs per plan year)
Failed Test Follow-Up or Additional Standard Test Runs	\$100 per additional test run
<b>A) Standard Tests Include The Following Tests:</b>	
<ul style="list-style-type: none"> <li>• Cafeteria Plan 25% Key Employee Concentration Test</li> <li>• Dependent Care More than 5% Owners Concentration Test</li> <li>• Dependent Care 55% Average Benefits Test</li> </ul>	
<b>B) Cafeteria Plan Only Tests (Premium Only Plan/Premium Conversion Plan) Include The Following Tests:</b>	
<ul style="list-style-type: none"> <li>• 25% Key Employee Concentration Test</li> <li>• Eligibility Test</li> <li>• Safe Harbor Percentage Test</li> <li>• Contributions and Benefits Test – Safe Harbor for Health Plans</li> <li>• Contributions and Benefits Test <ul style="list-style-type: none"> <li>• Availability Test</li> <li>• Utilization Test</li> </ul> </li> </ul>	
<b>C) Expanded Tests Include All Of The Following Tests:</b>	
<p>Cafeteria Plan Only (POP):</p> <ul style="list-style-type: none"> <li>• 25% Key Employee Concentration Test</li> <li>• Eligibility Test</li> <li>• Safe Harbor Percentage Test</li> <li>• Contributions and Benefits Test – Safe Harbor for Health Plans</li> <li>• Contributions and Benefits Test <ul style="list-style-type: none"> <li>• Availability Test</li> <li>• Utilization Test</li> </ul> </li> </ul>	
<p>Health FSA (Section 105h):</p> <ul style="list-style-type: none"> <li>• Health FSA Eligibility Test <ul style="list-style-type: none"> <li>• Nondiscriminatory Classifications Test</li> <li>• 70% Test</li> <li>• 70%/80% Test</li> </ul> </li> <li>• Health FSA Benefits Test</li> </ul>	
<p>Dependent Care (Section 129):</p> <ul style="list-style-type: none"> <li>• More than 5% Owners Concentration Test (same as above)</li> <li>• 55% Average Benefits Test</li> <li>• Eligibility Test</li> <li>• Contributions and Benefits Test</li> </ul>	

<b>Health Reimbursement Arrangement 105(h) Non-Discrimination Testing Fee Schedule - Clients</b>	
Health Reimbursement Arrangement 105(h) Test	\$250 per plan year (two test runs per plan year)
Failed Test Follow-Up or Additional Test Runs	\$100 per additional test run
<b>HRA 105(h) Tests Include The Following:</b>	
<p>HRA (Section 105h):</p> <ul style="list-style-type: none"> <li>• Eligibility Test <ul style="list-style-type: none"> <li>• Nondiscriminatory Classifications Test</li> <li>• 70% Test</li> <li>• 70%/80% Test</li> </ul> </li> <li>• Benefits Test</li> </ul>	

# Reimbursement Account Administrative Services Agreement

## 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, TSA 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, IRS Notice 2011-5, or other applicable guidance.
- 1.3 For a TSA account, Qualified Services include "parking," "transit passes," and "commuter highway vehicle," within the meaning of Codes Section 132(f) as it relates to "qualified transportation plans."
- 1.4 Account means the FSA, TSA and/or HRA, as the context requires and as elected by the Employer as part of this Agreement.
- 1.5 Plan Participants or Participants mean Employees that are participating in the Accounts.
- 1.6 Employee means those employees eligible to participate in the Plan.

### C.2 General Provisions

- 2.1 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.
- 2.2 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.
- 2.3 DBI agrees to cancel, as soon as is practical, access to a Participant's account when a Card is reported as lost or stolen.
- 2.4 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.
- 2.5 DBI will make available to the Employer, for distribution to the Participants, information as to the proper use of the Card.
- 2.6 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 the ineligible expense could not be offset with an eligible expense.
- 2.7 Employer agrees to notify DBI immediately upon suspicion or confirmation of inappropriate or fraudulent Card use.
- 2.8 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.
- 2.9 Employer agrees to administer the Plan in accordance with the rules and regulations of the Plan and the Agreement.

# Reimbursement Account Administrative Services Agreement

- 2.10** Employer understands and acknowledges that the origination of ACH transactions to the account must comply with the provisions of U.S. law.
- 2.11** 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.
- 2.12** 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, TSA 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 form 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

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. 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. DBI may initiate a one-time, non-refundable debit of \$1.00 to test the Account.

# Business Associate Agreement

This Business Associate Agreement (the "Agreement") is made and entered into effective 07/01/2013 by and between Discovery Benefits, Inc. ("DBI") and Village of Willowbrook Health Plan (the "Plan"), which is sponsored by Village of Willowbrook (the "Sponsor").

WITNESSETH:

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

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; and

WHEREAS, the Sponsor is signing this Business Associate Agreement solely on behalf of the Plan and as a representative of the Plan; and this Business Associate Agreement remains solely between DBI and the Plan.

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.

# Reimbursement Account Administrative Services Agreement

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.

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.

# Reimbursement Account Administrative Services Agreement

**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 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

# Reimbursement Account Administrative Services Agreement

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 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 17, 2010.
- (e) **Services Agreement.** DBI reserves the right to charge reasonable, cost based fees for sending the notices required by this Section 2.8 should a Breach be due to actions on the part of the Plan Sponsor, the Plan or any other entity other than DBI, its vendors or subcontractors.

## 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

# Reimbursement Account Administrative Services Agreement

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.

- (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.

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**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:

- (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

# Reimbursement Account Administrative Services Agreement

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 Security Incidents, and DBI shall have thirty (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

## Reimbursement Account Administrative Services Agreement

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.

### Authorization

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

**Signed for by Sponsor on behalf of and as a representative of  
the Plan:**

**Signed for Discovery Benefits by:**

Print Name and Title

Suzanne Rehr, Chief Risk Officer/EVP

Signature

Signature

**Sponsor Address:**

3216 13th Avenue S. Fargo, ND 58103

**VILLAGE OF WILLOWBROOK  
CHECKS ISSUED  
FISCAL YEAR 2012 - 2013**

MONTH	BOARD APPROVED WARRANTS	NET PAYROLL	PAYROLL LIABILITY CHECKS & EFTPS	HANDWRITTEN CHECKS	MONTHLY TOTAL
MAY	\$ 286,218.19	\$ 95,901.22	\$ 69,884.71	\$ 24,370.05	
MAY	210,460.47	103,500.02	79,955.45		\$ 870,290.11
JUNE		79,486.09	62,862.30	239,726.02	<span style="color: red;">1</span>
JUNE	185,208.37	72,802.09	62,814.12		
JUNE	300,204.40	125,165.27	97,762.34		\$ 1,226,031.00
JULY	229,225.18	61,782.99	55,873.18	3,945.00	
JULY	270,645.88	124,262.78	87,622.38		\$ 833,357.39
AUG	185,104.68	63,125.83	56,928.36	3,071.15	
AUG	304,839.64	118,171.11	85,423.09		\$ 816,663.86
SEP	64,677.42	62,669.19	56,694.75	191,026.16	<span style="color: red;">2</span>
SEP	266,500.72	121,877.27	87,435.33		\$ 850,880.84
OCT	125,389.40	63,950.87	56,977.05		
OCT	196,943.39	116,280.31	84,409.03	1,140.50	\$ 645,090.55
NOV	157,311.23	63,983.43	56,867.72		
NOV	199,601.27	80,299.30	63,444.27		
NOV		104,754.17	86,652.16	3,394.62	\$ 816,308.17
DEC	1,149,245.81	86,280.30	67,319.36		
DEC		100,428.66	78,626.42	54,778.29	<span style="color: red;">3</span> \$ 1,536,678.84
JAN	365,894.66	94,561.12	4 102,899.85		
JAN	187,032.26	103,810.45	80,556.18	128.00	\$ 934,882.52
FEB	174,381.64	79,683.06	65,074.04		
FEB	209,633.35	104,500.27	81,617.10	2,617.52	\$ 717,506.98
MAR					
MAR					\$ -
APR					
APR					
APR					\$ -
	<b>\$ 5,068,517.96</b>	<b>\$ 2,027,275.80</b>	<b>\$ 1,627,699.19</b>	<b>\$ 524,197.31</b>	<b>\$ 9,247,690.26</b>

Note 1 Payment to Willowbrook Town Center LLC, principal and interest on the TIF note

Note 2 Includes check to James D Fiala Paving, \$187,293.88, for MFT street maintenance contract

Note 3 Payment to Willowbrook Town Center LLC, remaining funds designated for sign

**VILLAGE OF WILLOWSBROOK  
PAYROLL - BY MONTH/YEAR  
FY 2011 - FY 2013**

**MONTHLY PAYROLL TOTALS #**

MONTH	FISCAL 2011	# of payrolls	FISCAL 2012	# of payrolls	FISCAL 2013	# of payrolls
MAY	\$ 346,614.01	2	\$ 320,475.00	2	\$ 299,514.62	2
JUNE	365,926.15	2	297,125.05	2	451,165.43	3
JULY	523,182.68	3	294,399.85	2	279,814.55	2
AUG	304,809.53	2	284,393.36	2	273,921.61	2
SEP	303,760.78	2	283,533.10	2	278,778.42	2
OCT	282,836.42	2	272,575.02	2	271,719.14	2
NOV	298,071.49	2	270,129.71	2	406,102.93	3
DEC	514,471.71	3	414,928.38	3	282,756.91	2
JAN	302,174.00	2	272,114.94	2	325,687.10	2
FEB	287,267.05	2	259,794.38	2	273,907.00	2
MAR	286,701.82	2	266,752.86	2		
APR	282,981.74	2	257,248.79	2		
<b>AUG*</b>			<b>267,068.17</b>			
<b>APR**</b>			<b>85,081.69</b>			
<b>TOTAL</b>	<b>\$ 4,098,797.38</b>	<b>26</b>	<b>\$ 3,845,620.30</b>	<b>25</b>	<b>\$ 3,143,367.71</b>	<b>22</b>
AVERAGE PAYROLL	\$ 157,646.05		\$ 139,738.82		\$ 142,880.35	
CHANGE FROM PRIOR YEAR			-11.36%		2.25%	

# Includes gross salary and payroll taxes for active employees only

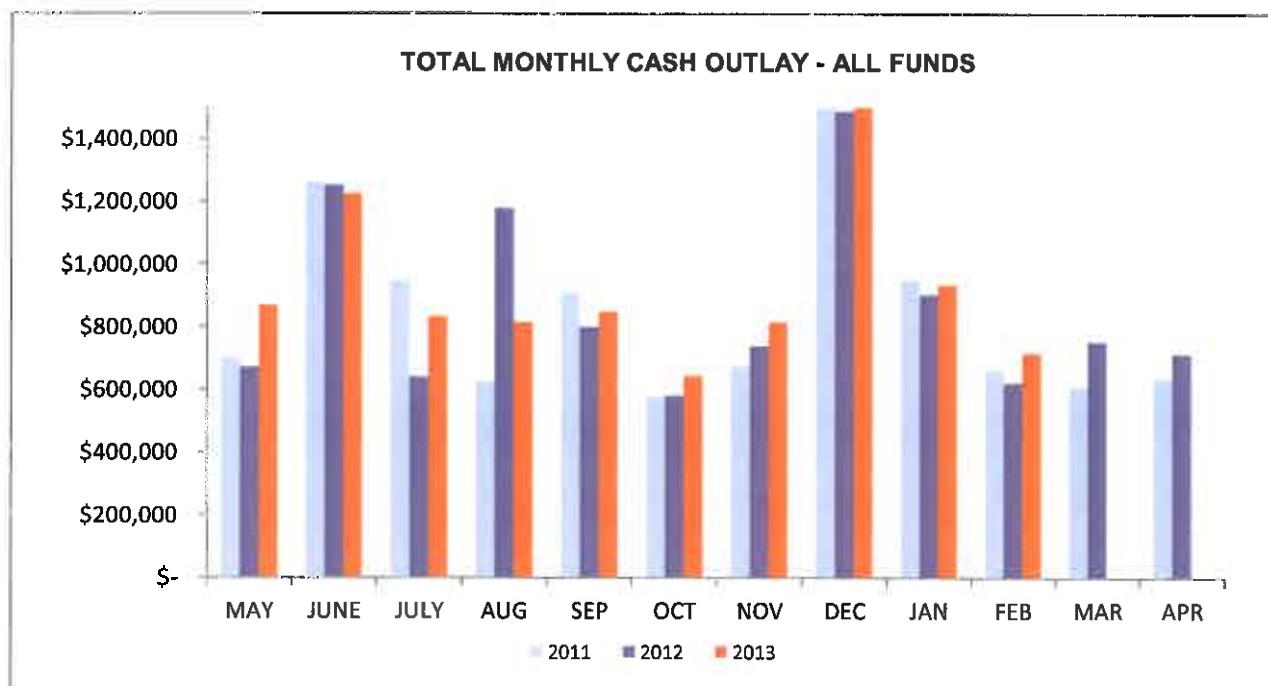
\* special payout for 3 commander retirements

\*\* special payout for 1 commander retirement



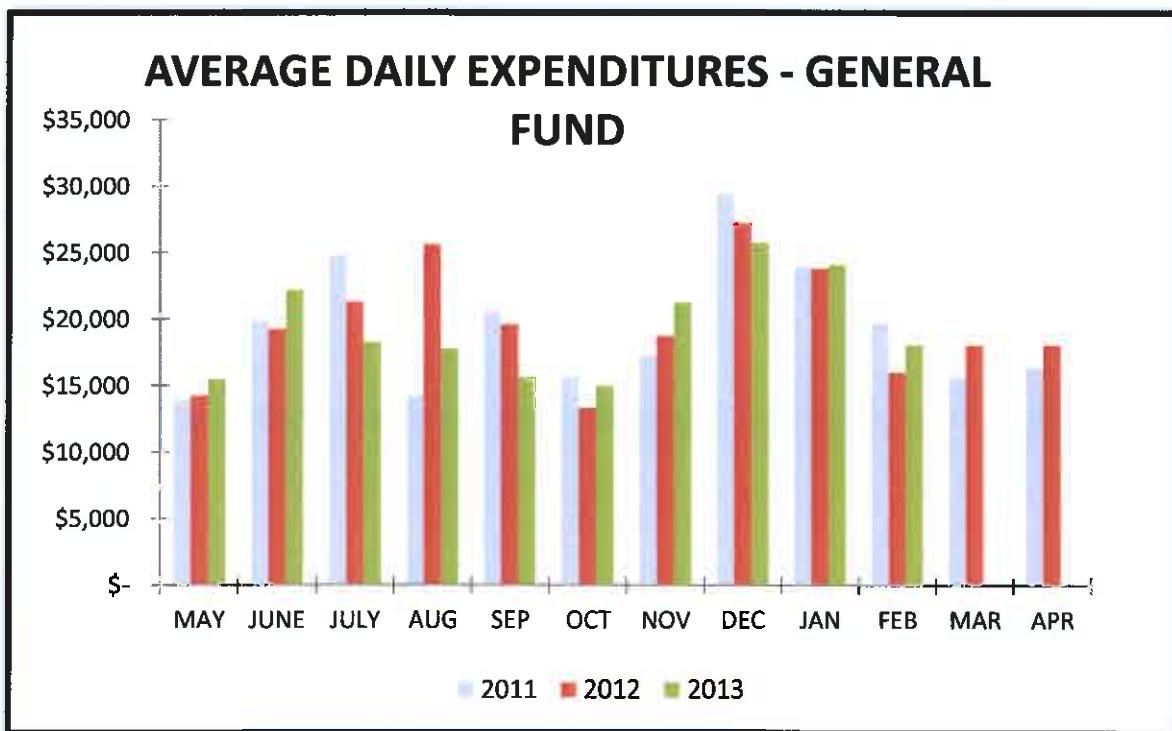
**VILLAGE OF WILLOWSBROOK  
CASH OUTLAY  
ALL FUNDS**

MONTH	<u>MONTHLY TOTALS</u>			<u>AVERAGE DAILY OUTLAY</u>	
	FISCAL 2011	FISCAL 2012	FISCAL 2013	FISCAL 2012	FISCAL 2013
MAY	\$ 704,192.82	\$ 672,056.01	\$ 870,290.11	\$ 21,679.23	\$ 28,073.87
JUNE	1,261,116.30	1,253,014.59	1,226,031.00	41,767.15	40,867.70
JULY	948,139.17	640,846.17	833,357.39	20,672.46	26,882.50
AUG	625,998.80	1,180,026.60	816,663.86	38,065.37	26,344.00
SEP	912,530.69	801,551.97	850,880.84	26,718.40	28,362.69
OCT	579,206.24	581,568.36	645,090.55	18,760.27	20,809.37
NOV	675,875.80	739,532.86	816,308.17	24,651.10	27,210.27
DEC	1,561,643.79	1,489,481.60	1,536,678.84	48,047.79	49,570.29
JAN	948,707.28	903,734.69	934,882.52	29,152.73	30,157.50
FEB	665,207.31	623,043.33	717,506.98	22,251.55	25,625.25
MAR	611,158.50	753,458.83		24,305.12	-
APR	638,668.72	713,948.25		23,798.28	-
<b>TOTAL</b>	<b>\$ 10,132,445.42</b>	<b>\$ 10,352,263.26</b>	<b>\$ 9,247,690.26</b>		
<b>AVERAGE</b>	<b>\$ 844,370.45</b>	<b>\$ 862,688.61</b>	<b>\$ 924,769.03</b>	<b>\$ 28,322.45</b>	<b>\$ 30,390.34</b>



**VILLAGE OF WILLOWSBROOK**  
**AVERAGE DAILY EXPENDITURES**  
**GENERAL FUND**

MONTH	FISCAL	FISCAL	FISCAL	2013 YEAR TO DATE AVERAGE
	2011	2012	2013	
MAY	\$ 13,861.56	\$ 14,244.09	\$ 15,479.51	\$ 15,479.51
JUNE	19,945.33	19,261.60	22,172.19	18,825.85
JULY	24,836.95	21,324.27	18,276.60	18,642.77
AUG	14,246.01	25,647.30	17,795.05	18,430.84
SEP	20,574.60	19,613.83	15,656.51	17,875.97
OCT	15,699.70	13,334.73	14,992.42	17,395.38
NOV	17,276.48	18,758.51	21,265.17	17,948.21
DEC	29,516.82	27,248.90	25,780.70	18,927.27
JAN	23,986.82	23,814.27	24,114.56	19,503.63
FEB	19,775.30	16,019.82 *	18,061.86	19,359.46
MAR	15,638.46	18,062.31		19,359.46
APR	16,399.40	18,087.56 *		19,359.46
AVERAGE	\$ 19,313.12	\$ 19,618.10	\$ 19,359.46	



\*2012 EXCLUDES 1/2 of the budgeted transfer to the L.A.F.E.R Fund (\$1,582,500)

**VILLAGE OF WILLOWBROOK**  
**FINANCIAL REPORT**  
**MUNICIPAL SALES AND USE TAXES**

MONTH	Sale	DIST	MADE	08-09	09-10	10-11	11-12	12-13			
MAY	FEB	\$	230,603	\$	216,102	\$	223,555	\$	254,811	\$	261,216
JUNE	MAR		254,996		252,558		281,024		296,840		308,159
JULY	APR		250,123		239,611		259,844		281,808		288,609
AUG	MAY		303,260		278,006		284,173		276,985		316,487
SEPT	JUNE		294,396		284,544		314,663		318,524		336,664
OCT	JULY		277,421		269,750		276,383		300,424		291,508
NOV	AUG		265,822		267,033		279,375		326,134		330,699
DEC	SEPT		263,557		253,713		260,636		296,490		300,348
JAN	OCT		238,194		236,393		273,809		272,291		282,374
FEB	NOV		290,210		253,516		290,009		296,763		306,325
MARCH	DEC		313,051		339,352		355,102		387,223		
APRIL	JAN		216,559		193,834		234,660		253,944		
<b>TOTAL</b>			\$ 3,198,192	\$ 3,084,413	\$ 3,333,234	\$ 3,562,238	\$ 3,022,390				
<b>MTH AVG</b>			\$ 266,516	\$ 257,034	\$ 277,769	\$ 296,853	\$ 302,239				
<b>BUDGET</b>			\$ 3,327,630	\$ 3,018,750	\$ 3,121,250	\$ 3,217,250	\$ 3,493,374				

YEAR TO DATE LAST YEAR : \$ 2,921,071

YEAR TO DATE THIS YEAR : \$ 3,022,390

DIFFERENCE : \$ 101,319

PERCENTAGE OF INCREASE :

3.47%

CURRENT FISCAL YEAR :

BUDGETED REVENUE: \$ 3,493,374

PERCENTAGE OF YEAR COMPLETED : 83.33%

PERCENTAGE OF REVENUE TO DATE : 86.52%

PROJECTION OF ANNUAL REVENUE : \$ 3,685,797

EST. DOLLAR DIFF ACTUAL TO BUDGET \$ 192,423

EST. PERCENT DIFF ACTUAL TO BUDGET

5.5%

**VILLAGE OF WILLOWBROOK  
FINANCIAL REPORT  
MUNICIPAL INCOME TAXES**

Note 1

MONTH	FISCAL YEAR					12-13
	08-09	09-10	10-11	11-12		
MAY	\$ 136,558	\$ 109,215	\$ 88,618	\$ 83,421	\$ 107,307	
JUNE	72,998	58,315	47,252	50,979	56,417	
JULY	80,810	63,492	66,409	66,040	72,448	
AUG	47,120	43,220	43,538	45,433	45,462	
SEPT	45,302	41,268	44,649	43,732	45,094	
OCT	80,573	63,593	64,893	69,459	71,005	
NOV	50,322	47,913	48,838	44,235	53,652	
DEC	39,197	37,663	54,012	41,649	44,277	
JAN	66,189	66,203	61,577	61,880	68,634	
FEB	83,223	70,164	76,096	71,344	81,019	
MARCH	45,104	43,415	37,954	47,598		
APRIL	69,633	67,732	65,293	73,904		
<b>TOTAL</b>	<b>\$ 817,028</b>	<b>\$ 712,193</b>	<b>\$ 699,127</b>	<b>\$ 699,674</b>	<b>\$ 645,315</b>	
<b>MTH AVG</b>	<b>\$ 68,086</b>	<b>\$ 59,349</b>	<b>\$ 58,261</b>	<b>\$ 58,306</b>	<b>\$ 64,532</b>	
<b>BUDGET</b>	<b>\$ 827,200</b>	<b>\$ 791,786</b>	<b>\$ 686,000</b>	<b>\$ 686,000</b>	<b>\$ 646,306</b>	

***Boxed Numbers - Village has not yet received distribution***

**Note 1** Village's population decreased from 8,967 to 8,540 beginning June 2011

YEAR TO DATE LAST YEAR: \$ 578,172

YEAR TO DATE THIS YEAR: \$ 645,315

DIFFERENCE: \$ 67,143

PERCENTAGE CHANGE:

11.61%

BUDGETED REVENUE: \$ 646,306

PERCENTAGE OF YEAR COMPLETED : 83.33%

PERCENTAGE OF REVENUE TO DATE : 99.85%

PROJECTION OF ANNUAL REVENUE : \$ 780,927

EST. DOLLAR DIFF ACTUAL TO BUDGET \$ 134,621

EST. PERCENT DIFF ACTUAL TO BUDGET

20.8%

**VILLAGE OF WILLOWBROOK**  
**FINANCIAL REPORT**  
**MUNICIPAL UTILITY TAXES**

**Telecommunications Tax - 6%**  
**Nicor & Com-Ed - 5%**

MONTH	FISCAL YEAR				
	08-09	09-10	10-11	11-12	12-13
MAY	\$ 122,356	\$ 126,617	\$ 118,228	\$ 103,407	\$ 93,102
JUNE	108,238	79,181	93,026	90,897	117,206
JULY	97,834	110,478	90,884	91,865	87,823
AUG	100,065	89,919	109,099	96,906	101,980
SEPT	123,794	95,178	107,010	105,187	97,521
OCT	114,254	91,793	100,333	87,792	91,554
NOV	32,396	89,181	78,547	88,869	84,535
DEC	154,628	84,202	86,799	85,543	85,580
JAN	112,402	101,205	97,316	99,304	95,118
FEB	139,420	112,119	115,615	102,349	106,312
MARCH	115,788	121,849	99,953	99,574	
APRIL	95,881	91,022	115,470	94,549	
<b>TOTAL</b>	<b>\$ 1,317,058</b>	<b>\$ 1,192,747</b>	<b>\$ 1,212,279</b>	<b>\$ 1,146,243</b>	<b>\$ 960,731</b>
<b>MTH AVG</b>	<b>\$ 109,755</b>	<b>\$ 99,396</b>	<b>\$ 101,023</b>	<b>\$ 95,520</b>	<b>\$ 96,073</b>
<b>BUDGET</b>	<b>\$ 1,247,500</b>	<b>\$ 1,337,500</b>	<b>\$ 1,150,000</b>	<b>\$ 1,197,000</b>	<b>\$ 1,163,633</b>
YEAR TO DATE LAST YEAR:			\$ 952,120		
YEAR TO DATE THIS YEAR:			\$ 960,731		
DIFFERENCE:			\$ 8,611		
PERCENTAGE CHANGE:			<b>0.90%</b>		
BUDGETED REVENUE:				\$ 1,163,633	
PERCENTAGE OF YEAR COMPLETED :				83.33%	
PERCENTAGE OF REVENUE TO DATE :				82.56%	
PROJECTION OF ANNUAL REVENUE :				<b>\$ 1,156,610</b>	
EST. DOLLAR DIFF ACTUAL TO BUDGET				\$ (7,023)	
EST. PERCENT DIFF ACTUAL TO BUDGET				<b>-0.6%</b>	

**VILLAGE OF WILLOWBROOK  
SIMPLIFIED TELECOMMUNICATION TAX  
CASH BASIS**

VILLAGE OF WILLOWBROOK  
UTILITY TAX  
COMMONWEALTH EDISON  
CASH BASIS

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
<b>MAY</b>	\$ 34,669	\$ 27,032	\$ 35,414	\$ 41,112	\$ 32,329	\$ 28,101	\$ 38,971	\$ 39,884
<b>JUNE</b>	32,603	40,255	28,095	37,629	31,126	35,646	33,900	42,108
<b>JULY</b>	39,259	38,655	45,542	33,606	35,583	39,254	35,802	39,020
<b>AUG</b>	50,903	45,036	46,221	47,587	39,638	49,507	45,121	54,686
<b>SEPT</b>	52,408	51,813	44,119	47,277	41,828	54,853	55,597	49,745
<b>OCT</b>	46,020	43,409	45,661	42,724	33,092	47,193	37,872	43,915
<b>NOV</b>	38,827	34,006	38,041	35,236	33,023	34,807	36,682	33,992
<b>DEC</b>	27,627	29,171	40,257	33,882	31,108	32,056	32,290	33,983
<b>JAN</b>	48,821	45,538	37,135	39,057	38,627	36,609	38,464	37,255
<b>FEB</b>	41,590	32,550	50,896	52,466	46,059	45,953	37,527	44,114
<b>MAR</b>	39,256	49,234	38,533	36,645	40,000	37,219	39,185	
<b>APR</b>	<u>37,009</u>	<u>38,260</u>	<u>36,499</u>	<u>39,795</u>	<u>34,524</u>	<u>38,222</u>	<u>35,722</u>	
<b>TOTAL:</b>	<b>\$ 488,990</b>	<b>\$ 474,960</b>	<b>\$ 486,412</b>	<b>\$ 487,017</b>	<b>\$ 436,937</b>	<b>\$ 479,420</b>	<b>\$ 467,133</b>	<b>\$ 418,702</b>
							<b>YTD PRIOR YEAR</b>	<b>\$ 392,226</b>
							<b>YTD CURRENT YEAR</b>	<b>\$ 418,702</b>
							<b>DIFFERENCE</b>	<b>\$ 26,476</b>
							<b>PERCENTAGE CHANGE</b>	<b>6.8%</b>

VILLAGE OF WILLOWBROOK  
UTILITY TAX  
NORTHERN ILLINOIS GAS  
CASH BASIS

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
MAY	\$ 19,304	\$ 20,587	\$ 22,735	\$ 29,751	\$ 17,366	\$ 18,437	\$ 19,268	\$ 11,020
JUNE	11,951	10,813	14,685	21,020	11,184	10,627	13,321	7,277
JULY	7,140	5,965	7,851	14,857	7,056	7,075	8,716	5,609
AUG	5,314	5,125	6,184	10,068	6,943	6,842	6,871	5,318
SEPT	5,701	4,915	5,310	8,470	6,089	6,016	5,190	5,214
OCT	5,889	4,639	5,496	7,816	5,384	6,237	5,141	5,450
NOV	8,423	7,218	7,600	9,111	7,168	6,763	6,975	6,591
DEC	14,205	10,396	10,447	13,377	9,653	8,859	10,035	10,121
JAN	27,373	15,850	18,243	22,887	15,511	16,170	15,217	14,119
FEB	39,054	21,115	27,469	32,441	26,774	24,393	20,479	19,476
MAR	36,422	28,078	36,398	32,452	31,709	26,521	20,614	
APR	<u>29,395</u>	<u>30,298</u>	<u>38,429</u>	<u>24,545</u>	<u>26,718</u>	<u>24,038</u>	<u>15,881</u>	
<b>TOTAL:</b>	<b>\$ 210,171</b>	<b>\$ 165,001</b>	<b>\$ 200,847</b>	<b>\$ 226,794</b>	<b>\$ 171,556</b>	<b>\$ 161,977</b>	<b>\$ 147,709</b>	<b>\$ 90,195</b>
							<b>YTD PRIOR YEAR</b>	<b>\$ 111,214</b>
							<b>YTD CURRENT YEAR</b>	<b>\$ 90,195</b>
							<b>DIFFERENCE</b>	<b>\$ (21,019)</b>
							<b>PERCENTAGE CHANGE</b>	<b>-18.9%</b>

**VILLAGE OF WILLOWBROOK**  
**FINANCIAL REPORT**  
**PLACES OF EATING TAXES**

MONTH	Fiscal Year					12-13
	08-09	09-10	10-11	11-12		
MAY	\$ 30,594	\$ 29,944	\$ 32,607	\$ 34,339	\$ 37,421	
JUNE	34,157	33,653	34,583	36,544	37,754	
JULY	34,835	33,203	38,304	38,639	41,944	
AUG	33,466	29,099	35,728	37,829	38,115	
SEPT	33,677	33,001	33,184	39,218	40,801	
OCT	31,402	30,393	33,204	36,492	40,227	
NOV	29,490	28,801	33,296	38,018	36,097	
DEC	34,843	33,252	35,058	34,652	39,700	
JAN	30,400	31,980	38,456	39,065	43,449	
FEB	25,755	29,015	32,964	32,687	35,859	
MARCH	25,521	29,353	32,029	34,986		
APRIL	32,638	35,520	35,620	38,362		
<b>TOTAL</b>	<b>\$ 376,777</b>	<b>\$ 377,215</b>	<b>\$ 415,036</b>	<b>\$ 440,831</b>	<b>\$ 391,367</b>	
MTH AVG	\$ 31,398	\$ 31,435	\$ 34,586	\$ 36,736	\$ 39,137	
<i>BUDGET</i>	<i>\$ 455,900</i>	<i>\$ 380,000</i>	<i>\$ 404,500</i>	<i>\$ 429,500</i>	<i>\$ 450,581</i>	

YEAR TO DATE LAST YEAR: \$ 367,483

YEAR TO DATE THIS YEAR: \$ 391,367

DIFFERENCE: \$ 23,884

PERCENTAGE OF INCREASE:

6.50%

BUDGETED REVENUE: \$ 450,581

PERCENTAGE OF YEAR COMPLETED : 83.33%

PERCENTAGE OF REVENUE TO DATE : 86.86%

PROJECTION OF ANNUAL REVENUE : \$ 469,482

EST. DOLLAR DIFF ACTUAL TO BUDGET \$ 18,901

EST. PERCENT DIFF ACTUAL TO BUDGET

4.2%

**VILLAGE OF WILLOWBROOK**  
**FINANCIAL REPORT**  
**FINES**

MONTH DIST	FISCAL YEAR				
	08-09	09-10	10-11	11-12	12-13
MAY	\$ 18,490	\$ 14,846	\$ 19,578	\$ 20,475	\$ 12,129
JUNE	25,506	14,647	16,689	16,315	16,141
JULY	20,044	16,868	19,660	8,068	11,302
AUG	13,194	20,157	14,809	15,404	5,385
SEPT	24,717	14,024	14,196	7,275	14,236
OCT	16,446	15,004	16,237	17,071	14,533
NOV	14,484	13,858	14,719	13,517	8,246
DEC	12,977	20,463	11,482	12,229	6,560
JAN	14,742	13,669	21,297	12,321	20,660
FEB	22,841	8,980	10,232	11,103	10,511
MARCH	17,651	26,922	13,255	16,448	
APRIL	13,946	16,869	16,761	15,010	
<b>TOTAL</b>	<b>\$ 215,037</b>	<b>\$ 196,308</b>	<b>\$ 188,916</b>	<b>\$ 165,235</b>	<b>\$ 119,703</b>
<b>MTH AVG</b>	<b>\$ 17,920</b>	<b>\$ 16,359</b>	<b>\$ 15,743</b>	<b>\$ 13,770</b>	<b>\$ 11,970</b>
<b>BUDGET</b>	<b>\$ 190,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 160,000</b>

YEAR TO DATE LAST YEAR : \$ 133,777  
YEAR TO DATE THIS YEAR : \$ 119,703  
DIFFERENCE : \$ (14,074)

PERCENTAGE CHANGE

-10.52%

BUDGETED REVENUE: \$ 160,000

PERCENTAGE OF YEAR COMPLETED : 83.33%

PERCENTAGE OF REVENUE TO DATE : 74.81%

PROJECTION OF ANNUAL REVENUE : \$ 147,851

EST. DOLLAR DIFF ACTUAL TO BUDGET \$ (12,149)

EST. PERCENT DIFF ACTUAL TO BUDGET -7.59%

**VILLAGE OF WILLOWBROOK**  
**FINANCIAL REPORT**  
**RED LIGHT FINES**

MONTH DIST	FISCAL YEAR			
	09-10	10-11	11-12	12-13
MAY		\$ 51,750	\$ 19,700	\$ 49,631
JUNE		80,350	39,300	54,120
JULY		67,733	39,925	56,500
AUG		78,955	61,985	54,325
SEPT	\$ 300	53,880	68,241	35,300
OCT	46,720	42,786	83,294	46,200
NOV	39,000	45,760	88,200	46,037
DEC	29,900	65,285	39,855	41,645
JAN	30,425	57,064	34,805	41,395
FEB	19,550	27,980	34,577	36,135
MARCH	29,850	26,810	19,223	
APRIL	32,550	19,005	29,058	
<b>TOTAL</b>	<b>\$ 228,295</b>	<b>\$ 617,358</b>	<b>\$ 558,163</b>	<b>\$ 461,288</b>
<b>MTH AVG</b>	<b>\$ 28,537</b>	<b>\$ 51,447</b>	<b>\$ 46,514</b>	<b>\$ 46,129</b>
<b>BUDGET</b>		<b>\$ 484,400</b>	<b>\$ 511,000</b>	<b>\$ 540,000</b>

YEAR TO DATE LAST YEAR : \$ 509,882

YEAR TO DATE THIS YEAR : \$ 461,288

DIFFERENCE : \$ (48,594)

PERCENTAGE CHANGE:

**-9.53%**

BUDGETED REVENUE: \$ 540,000

PERCENTAGE OF YEAR COMPLETED : 83.33%

PERCENTAGE OF REVENUE TO DATE : 85.42%

**PROJECTION OF ANNUAL REVENUE : \$504,968**

EST. DOLLAR DIFF ACTUAL TO BUDGET (\$35,032)

EST. PERCENT DIFF ACTUAL TO BUDGET **-6.5%**

**VILLAGE OF WILLOWBROOK**  
**FINANCIAL REPORT**  
**BUILDING PERMITS**

MONTH	08-09	09-10	10-11	11-12	12-13
MAY	\$ 8,902	\$ 6,747	\$ 35,989	\$ 5,770	\$ 33,084
JUNE	24,081	5,795	8,399	6,527	30,569
JULY	48,954	7,103	19,396	8,640	11,472
AUG	12,833	9,710	17,824	9,921	14,433
SEPT	12,149	7,255	47,342	17,688	28,145
OCT	5,942	30,335	16,986	6,235	6,068
NOV	14,481	3,976	3,277	27,435	8,391
DEC	4,384	32,902	6,864	31,298	14,215
JAN	6,957	23,015	12,160	6,734	27,202
FEB	1,284	3,766	13,567	7,062	7,918
MARCH	380	18,445	10,207	31,730	
APRIL	1,565	18,870	28,150	18,959	
<b>TOTAL</b>	<b>\$ 141,912</b>	<b>\$ 167,920</b>	<b>\$ 220,161</b>	<b>\$ 177,999</b>	<b>\$ 181,497</b>
<b>MTH AVG</b>	<b>\$ 11,826</b>	<b>\$ 13,993</b>	<b>\$ 18,347</b>	<b>\$ 14,833</b>	<b>\$ 18,150</b>
<b>BUDGET</b>	<b>\$ 375,000</b>	<b>\$ 150,000</b>	<b>\$ 100,000</b>	<b>\$ 150,000</b>	<b>\$ 110,000</b>

YEAR TO DATE LAST YEAR: \$ 127,310

YEAR TO DATE THIS YEAR: \$ 181,497

DIFFERENCE: \$ 54,187

PERCENTAGE OF CHANGE:

42.56%

BUDGETED REVENUE: \$ 110,000

PERCENTAGE OF YEAR COMPLETED : 83%

PERCENTAGE OF REVENUE TO DATE : 165%

**VILLAGE OF WILLOWBROOK**  
**FINANCIAL REPORT**  
**WATER SALES REVENUE**

MONTH	08-09		09-10		Note 1		Note 2	
	10-11	11-12	12-13					
MAY	\$ 132,976	\$ 119,740	\$ 116,873	\$ 148,758	\$ 156,504			
JUNE	154,198	148,867	164,898	170,028	205,606			
JULY	110,827	105,374	128,685	145,972	178,786			
AUG	169,951	153,176	183,532	183,885	309,555			
SEPT	187,916	173,672	209,281	202,519	286,089			
OCT	122,200	116,842	141,587	134,151	172,100			
NOV	157,092	146,601	181,635	167,590	208,056			
DEC	149,509	144,694	176,935	171,271	204,008			
JAN	103,885	95,371	117,392	118,494	139,217			
FEB	122,073	116,663	143,020	143,906	166,637			
MARCH	143,768	130,119	162,372	163,023				
APRIL	101,799	101,335	113,064	136,026				
<b>TOTAL</b>	<b>\$ 1,656,192</b>	<b>\$ 1,552,453</b>	<b>\$ 1,839,273</b>	<b>\$ 1,885,623</b>	<b>\$ 2,026,558</b>			
<b>MTH AVG</b>	<b>\$ 138,016</b>	<b>\$ 129,371</b>	<b>\$ 153,273</b>	<b>\$ 157,135</b>	<b>\$ 202,656</b>			
<b>BUDGET</b>	<b>\$ 1,800,000</b>	<b>\$ 1,800,000</b>	<b>\$ 1,931,868</b>	<b>\$ 1,831,500</b>	<b>\$ 2,318,242</b>			

**Note 1- 20% rate increase effective 5/1/10**

**Note 1- 20% rate increase effective 3/1/12**

YEAR TO DATE LAST YEAR:	\$ 1,586,574
YEAR TO DATE THIS YEAR:	\$ 2,026,558
DIFFERENCE:	\$ 439,984

PERCENTAGE OF INCREASE: 27.73%

BUDGETED REVENUE:	\$ 2,318,242
PERCENTAGE OF YEAR COMPLETED :	83.33%
PERCENTAGE OF REVENUE TO DATE :	87.42%
PROJECTION OF ANNUAL REVENUE :	\$ 2,349,335
EST. DOLLAR DIFF ACTUAL TO BUDGET	\$ 31,093
EST. PERCENT DIFF ACTUAL TO BUDGET	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1.34%</span>

**VILLAGE OF WILLOWBROOK**  
**FINANCIAL REPORT**  
**MUNICIPAL HOTEL/MOTEL TAXES**

MONTH	FISCAL YEAR					Note 1		Note 2, 3		Note 4, 5	
	08-09	09-10	10-11	11-12	12-13						
MAY	\$ 7,589	\$ 5,657	\$ 6,553	\$ 4,355	\$ 4,516						
JUNE	8,425	5,533	4,907	4,226	4,918						
JULY	9,137	6,650	6,872	6,196	8,271						
AUG	8,988	6,046	5,173	10,959	4,947						
SEPT	8,153	6,432	3,526	4,664	6,041						
OCT	8,114	6,155	10,625	6,463	11,030						
NOV	7,246	6,038	3,986	9,154	3,508						
DEC	5,616	4,566	2,325	5,428	5,611						
JAN	4,483	3,728	8,182	2,267	2,268						
FEB	1,898	3,269	1,755	1,945	3,306						
MARCH	2,160	3,056	5,505	4,123							
APRIL	1,582	2,170	2,262	8,077							
<b>TOTAL</b>	<b>\$ 73,392</b>	<b>\$ 59,299</b>	<b>\$ 61,671</b>	<b>\$ 67,857</b>	<b>\$ 54,416</b>						
<b>MTH AVG</b>	<b>\$ 6,116</b>	<b>\$ 4,942</b>	<b>\$ 5,139</b>	<b>\$ 5,655</b>	<b>\$ 5,442</b>						
<b>BUDGET</b>	<b>\$ 92,000</b>	<b>\$ 80,000</b>	<b>\$ 72,000</b>	<b>\$ 61,000</b>	<b>\$ 62,220</b>						

Note 1 - Village received 3 months Holiday Inn Tax (Jan-March) in August 2010.

Note 2 - The Holiday Inn paid their June & July tax in August 2011.

Note 3 - The Holiday Inn made payments for Jan, Feb & March 2012 during April 2012

Note 4 - The Holiday Inn made payments for May & June 2012 during July 2012

Note 5 - The Holiday Inn made payments for Aug & Sept 2012 during Oct 2012

YEAR TO DATE LAST YEAR: \$ 55,657

YEAR TO DATE THIS YEAR: \$ 54,416

DIFFERENCE: \$ (1,241)

PERCENTAGE CHANGE: **-2.23%**

BUDGETED REVENUE: \$ 62,220

PERCENTAGE OF YEAR COMPLETED : 83.33%

PERCENTAGE OF REVENUE TO DATE : 87.46%

PROJECTION OF ANNUAL REVENUE : \$ 66,344

EST. DOLLAR DIFF ACTUAL TO BUDGET \$ 4,124

EST. PERCENT DIFF ACTUAL TO BUDGET **6.6%**

**VILLAGE OF WILLOWBROOK**  
**FINANCIAL REPORT**  
**MOTOR FUEL TAX**

Note 1      Note 2      Note 3

MONTH DIST	FISCAL YEAR					
	08-09	09-10	10-11	11-12	12-13	
MAY	\$ 20,073	\$ 17,906	\$ 19,451	\$ 18,507	\$ 16,579	
JUNE	23,369	24,456	18,819	18,156	18,468	
JULY	17,743	13,011	17,787	16,894	15,557	
AUG	19,654	21,587	19,278	57,601	18,180	
SEPT	17,930	18,137	18,752	18,325	18,222	
OCT	16,431	14,867	21,587	16,417	54,763	
NOV	22,339	15,108	54,756	18,240	17,307	
DEC	15,241	24,523	26,793	19,269	18,450	
JAN	21,779	18,456	21,584	17,963	17,678	
FEB	21,469	21,440	20,892	17,273	17,157	
MARCH	20,913	16,884	16,823	17,604		
APRIL	19,224	18,391	19,105	17,123		
<b>TOTAL</b>	<b>\$ 236,163</b>	<b>\$ 224,766</b>	<b>\$ 275,626</b>	<b>\$ 253,372</b>	<b>\$ 212,361</b>	
<b>MTH AVG</b>	<b>\$ 19,680</b>	<b>\$ 18,731</b>	<b>\$ 22,969</b>	<b>\$ 21,114</b>	<b>\$ 21,236</b>	
<b>BUDGET</b>	<b>\$ 259,150</b>	<b>\$ 240,316</b>	<b>\$ 214,800</b>	<b>\$ 226,865</b>	<b>\$ 222,328</b>	

**Note 1, 2, 3 - Special distribution of \$38,941, IL Capital Bill (non-recurring)**

YEAR TO DATE LAST YEAR : \$ 218,645

YEAR TO DATE THIS YEAR : \$ 212,361

DIFFERENCE : \$ (6,284)

PERCENTAGE OF CHANGE:

**-2.87%**

BUDGETED REVENUE: \$ 222,328

PERCENTAGE OF YEAR COMPLETED : 83.33%

PERCENTAGE OF REVENUE TO DATE : 95.52%

PROJECTION OF ANNUAL REVENUE : \$ 246,090

EST. DOLLAR DIFF ACTUAL TO BUDGET \$ 23,762

EST. PERCENT DIFF ACTUAL TO BUDGET

**10.7%**