

Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Gregg Schuster, First Selectman

**Board of Selectmen Agenda
Regular Meeting
Thursday, November 7, 2013
Colchester Town Hall**

Meeting Room 1

RECEIVED
COLCHESTER, CT
2013 NOV -4 AM 11:36
NANCY A. BRAY
TOWN CLERK
Nancy A. Bray

1. Call to Order
2. Additions to the Agenda
3. Approve Minutes of the October 17, 2013 Regular Board of Selectmen Meeting
4. Approve Minutes of the October 16, 2013 Tri-Board Meeting
5. Citizen's Comments
6. Boards and Commissions – Interviews and/or Possible Appointments and Resignations
 - a. Veterans Affairs Service Contact Person – Applicants interviewed
 1. Daniel Henderson was interviewed
 2. Beverly Popovich was interviewed
 3. Erin Rollins was interviewed
 - b. Blight Task Force
 1. Maria Colacicco to be interviewed
 2. William Belch to be interviewed
 - c. Historic District Commission – Nancy Anderson Reappointment for a Five Year Term to Expire on 11/30/2018
 - d. Planning and Zoning Commission – Joseph Mathieu Reappointment for a Three Year Term to expire 11/30/2016
 - e. Police Commission – Edward Fusco – Reappointment for a Three Year Term to Expire 11/15/2016
 - f. Agricultural Commission – Olivia Duksa – Reappointment for a Two Year Term to Expire 11/30/2015
 - g. Discussion on Ordinance Interpretation regarding Genea Bell serving another term on the Ethics Commission

7. Budget Transfers
8. Tax Refunds & Rebates
9. Discussion and Possible Action on Selectman's Operating Committee Report
10. Discussion and Possible Action to Approve Reallocation of \$450.00 in Application Fees From Withdrawn Conservation Commission Permit #W2013-2957, to the Resubmission Of the Corrected Application
11. Discussion and Possible Action on Results and Recommendation for Award to Furnish and Install Overhead Bay Door Openers for Fire Department
12. Discussion and Possible Action to Authorize the First Selectman to Sign Anthem Agreements
13. Discussion and Possible Action to Authorize the First Selectman to Sign Business Agreement with McGlagrey LLP for Auditing Services for Fiscal Year Ended June 30, 2013
14. Discussion and Possible Action on non-union employee salary increase
15. Citizens Comments
16. First Selectman's Report
17. Liaison Report
18. Executive Session to Discuss:
 - a. Negotiations with Library Union Local 1303-448 Connecticut Council 4, AFSCME, AFL-CIO
 - b. Negotiations with Clerical Union Local 1303-254 Connecticut Council 4, AFSCME, AFL-CIO
19. Discussion and Possible Action on Successor Contract with Library Union Local 1303-448 Connecticut Council 4, AFSCME, AFL-CIO
20. Adjourn



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Gregg Schuster, First Selectman

Board of Selectmen Minutes
Regular Meeting Minutes
Thursday, October 17, 2013
Colchester Town Hall – 7:00 PM
Meeting Room 1

NANCY A. BRAY
TOWN CLERK

Nancy A. Bray

RECEIVED
COLCHESTER, CT
2013 OCT 21 AM 10:53

MEMBERS PRESENT: First Selectman Gregg Schuster, Selectman Stan Soby, Selectman James Ford, Selectman Rosemary Coyle and Selectman Greg Cordova.

MEMBERS ABSENT: None

OTHERS PRESENT: Sal Tassone, Maggie Cosgrove, Jim Paggioli, Rob Esteve, Falk von Plachecki, Kimberly Russo, Robert Kvederas, Don Kennedy, Steve Caron, Daniel Henderson, Beverly Popwich, Erin Rowllins, Gail Therian, and other citizens.

1. Call to Order

First Selectman G. Schuster called the meeting to order at 7:30 p.m.

2. Additions to the Agenda -

J. Ford moved to add "Item 6F Historic District Commission – Robert Kvederas, Member re-appointment for a five-year term to expire 11/1/2018", seconded by R. Coyle. Unanimously approved. MOTION CARRIED.

3. Approve Minutes of the October 3, 2013 Regular Board of Selectmen Meeting

R. Coyle moved to approve the Regular Board of Selectmen Meeting minutes of October 3, 2013 as presented, seconded by S. Soby. Unanimously approved. MOTION CARRIED.

4. Approve Minutes of the October 9, 2013 Special Board of Selectmen Meeting

S. Soby moved to approve the Minutes of the October 9, 2013 Special Board of Selectmen Meeting as presented, seconded by G. Cordova. Unanimously approved. MOTION CARRIED

5. Citizen's Comments- None

6. Boards and Commissions – Interviews and/or Possible Appointments and Resignations

a. Conservation Commission – Member A. Falk von Plachecki reappointment for a three year term to expire 10/31/2016

S. Soby moved to reappoint A. Falk von Plachecki as a member of the Conservation Commission for a three year term to expire 10/31/2016, seconded by R. Coyle. Unanimously approved. MOTION CARRIED.

b. Fair Rent Commission Member re-appointment for a two-year term to expire 10/31/2015. Kimberly Russo to be interviewed.

R. Coyle moved to reappoint Kimberly Russo as a member of the Fair Rent Commission for a two year term to expire 10/31/2015, seconded by S. Soby. Unanimously approved. MOTION CARRIED

c. Police Commission – Member re-appointment for a three-year term to expire 11/01/2016. Steven Caron to be interviewed.

S. Soby moved to reappoint Steven Caron as a member of the Police Commission for a three year term to expire 11/01/2016, seconded by G. Cordova. Unanimously approved. MOTION CARRIED

d. Veterans Affairs Service Contact Person

1. Daniel Henderson – Daniel Henderson was interviewed.
2. Beverly Popowich – Beverly Popowich was interviewed.
3. Erin Rowllins- Erin Rowllins was interviewed.

e. Parks and Recreation Commission – Norman Kaplan, Member re-appointment for a four-year term to expire 11/01/2017.

G. Cordova moved to reappoint Norman Kaplan as a member of the Park and Recreation Commission for a four year term to expire 11/01/2017, seconded by R. Coyle. Unanimously approved. MOTION CARRIED

f. Historic District Commission – Robert Kvederas, Member re-appointment for a five-year term to expire 11/1/2018

J. Ford moved to reappoint Robert Kvederas as a member of the Historic District Commission for a five year term to expire 11/01/2018, seconded by S. Soby. Unanimously approved. MOTION CARRIED.

7. Budget Transfers

R. Coyle moved to approve budget transfers in the amount of \$200 from Boards and Commissions – “Contractual, Temporary, Occasional” (11105-40105) to “Overtime” (1105 -40103); \$298 from Boards and Commissions – “Mileage, Training and Meetings” (11105-43213) to “Overtime” (11105-40101) and FICA Medicare (11105-41230); \$1075 from Tax Collector – “Data Processing” (11303-44205) \$575 to “Office Supplies” (11303 - 42301) and \$500 to Service Contracts (11303-44223); \$290 from Planning & Zoning – Professional Services (11411-44208); \$1170 from Legal Notices (11411-44230), \$348 from Vehicle Maintenance (11411-46390) and \$707 from Printing and Publication (11411-44232) to Legal Fees (11411-44203) \$297 from Town Clerk - “Contractual Temporary, Occasional” (11501-40105) to “Overtime” (11501-40103); \$1572 from Police “Uniform Purchases” (12101-42324), \$829 from “Office Supplies” (12101-42301) and \$1202 from “Police Equipment and Supplies” (12101-42338) to “Resident Trooper” (12101-44200) \$2,403 from Police Equipment and Supplies” (12101-42338) and \$225 from “Mileage, Training & Meetings” ” (12101-43213) to “Resident Trooper Overtime (12101-44204); \$5,000 from Police – “Machinery & Equipment” (12101 -48404); \$3749 from Police – Professional Services (12010-44208) and \$38 from Police “Mileage, Training and Meetings” (12101-43213) to Police – Vehicle Maintenance & Fuel (12101-46390).; \$225 from Police – “Office Supplies” to “Copier” (12101-42233); \$2235 from Fire – “Contractual Training and Meetings” to “Overtime” (12202-40103); \$836 from Fire – “Telephone” (12202-45216) to “Fuel/Heating” (12202-45221); \$5231 from Fire “Physicals & Testing” (12202-44286) to “Electricity” (12202-45622); \$2050 from Fire - “Physicals & Testing” (12202-44286) to “Professional Services (12202-44208) and “Compensation” (12202-44243); \$5736 from Fire – “Service Contracts” (12202-44223) to “Vehicle Maintenance & Fuel” (12202-46390); \$2 from Youth Services - to “Vehicle Maintenance & Fuel” (14102-46390) to “Professional Services” (14102-44208); \$343 from Youth Services - to “Vehicle Maintenance & Fuel” (14102-46390) to “Printing & Publications’ (14102-44232); \$41 from Senior Center “Regular Payroll” (15401-40101) to “Building Rental” (15401-44215); \$148 from Senior Center “Regular Payroll (15401-40101) to “Printing and Publications” (15401-44232); \$440 from Senior Center “Regular Payroll (15401-40101) to “Electric” (15401-45622); \$577 from Senior Center “Regular Payroll (15401-40101) to “Building Repairs” (15401-46226); \$5307 from Senior Center “Regular Payroll (15401-40101) to “Vehicle Maintenance & Fuel” (15401-46390); Seconded by S. Soby Unanimously approved. MOTION CARRIED

8. Tax Refunds & Rebates

R. Coyle moved to approve tax refunds in the amount of \$19.07 to Michael or Carol Midgette, \$16.05 to Douglas or Michele Stetson, \$ 49.90 to Valerie Clark, \$58.14 to John or Sophia Olsheky, \$179.56 to Scott Thompson, \$15.14 to Barbara Moroch, and \$349.44 to Wheels LT, seconded by S. Soby. Unanimously approved. MOTION CARRIED

9 Discussion and Possible Action on Voluntary Biometric Screening for Employees.

M. Cosgrove gave an over view of the Voluntary Biometric Screening for Employees

S. Soby moved to move forward on the Voluntary Biometric Screening for Employees program, seconded by G. Cordova. Unanimously approved. MOTION CARRIED

10. Discussion and Possible Action on Award of Contract and Appropriation of Elmwood Heights Recoating

Discussion was held with J. Paggioli answering questions regarding this project.

G. Cordova moved to award a contract for Recoating of both of the Elmwood Heights Water Storage Tanks to Marcel A. Payeur, Inc. of Sandford Maine, as recommended by the Colchester Sewer and Water Commission, for a contract sum of \$337,000 and to authorize the First Selectman to sign all necessary documents, seconded by R. Coyle. Unanimously approved. MOTION CARRIED.

R. Coyle moved for the appropriation of \$337,000 from the undesignated Water Capital Fund Balance to a newly established Capital Project Fund entitled Elmwood Heights Water Storage Tank Recoating, as recommended by the Sewer and Water Commission, and that all funds required to be paid for completion of the work for said recoating work shall be paid for from said project fund, seconded by S. Soby. Unanimously approved. MOTION CARRIED.

11. Discussion and Possible Action to Authorize the First Selectman to Sign Snow Plowing Contract Extension with Bakaj Construction, LLC

Discussion was held regarding the need for a Waiver of Request for Proposal/Competitive Bid Process.

S. Soby moved to authorize the First Selectman to enter into a one year contract extension, and sign all necessary documents, in accordance with the Invitation to Bid Town School Snow and Ice Control Services dated 16 September 2010, and signed November 8, 2010 with Bakaj Construction, LLC for the winter season of 2013-2014 pending approval of Waiver of Request for Proposal/Competitive Bid Process by the First Selectman, seconded by G. Cordova. Unanimously approved. MOTION CARRIED.

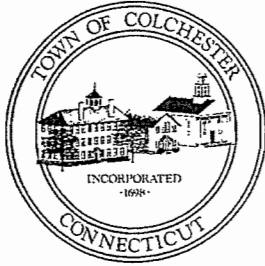
- 12. Discussion and Possible Action to Refund Cancelled Road Permit Fees for Sherman's Brook Road**
R. Coyle moved that the Town of Colchester refund 85% (\$10,435.36) of the original \$12,276.89 Road Permit Fee for the Sherman's Brook Road, Phase B of the White Oak Farms Subdivision to White Oak Development, LLC, as recommended by the Town Engineer, seconded by S. Soby Unanimously approved. MOTION CARRIED
- 13. Discussion and Possible Action to Authorize the First Selectman to Sign Safe School Grant Award Acceptance Notice**
S. Soby moved to accept the Grant Award for the Right Response Network to fund the Colchester Safe School Collaborative and to authorize the First Selectmen to sign all necessary documents, seconded by G. Cordova. Unanimously approved. MOTION CARRIED
- 14. Citizen's Comments**
F. von Plachecki said that he feels the Voluntary Biometric Screening for Employees program would be good for the Town employees based on his experience with the State's Wellness Program.

M. Caplet said he also feels that the Voluntary Biometric Screening for Employees program would be good for the Town employees based on his experience with the State's Wellness Program.
- 15. First Selectman's Report**
G. Schuster said that a Tri Board meeting of the Board of Selectmen, Board of Finance and Board of Education was held on Wednesday, October 16, 2013. It was suggested that a survey be available on Election Day to collect data regarding the school/renovation/senior center/community center project. He reported that Tractor Supply Store is now open and he thanked staff and Commission and Board members involved in moving this project forward. He said he attended a Council of Government meeting on Wednesday, October 16, 2013 where a discussion was led by the City of Norwich regarding the release of sex offenders. He has been appointed to the Municipal Tax Authority, a subcommittee of the M.O.R.E Commission. The DARE car was auctioned off for \$25,500. The Town has received the Government Finance Officers Association (G.F.O.A.) Distinguished Budget Presentation Award for the second consecutive year.
- 16. Liaison Report**
R. Coyle reported on the Commission of Aging. The Fiscal Plan Project for the exterior of the building is completed. Dalton Nelson will be constructing storage units to act as a room divider as his Eagle Scout project. Transportation numbers and attendance numbers have increased. Meals on Wheels have also increased and there are twelve new members.
- 17. Executive Session to Discuss Negotiations with Clerical Union AFSCME Council #4 Local 1303-254**
R. Coyle moved to enter into executive session to discuss negotiations with Clerical Union AFSCME Council #4 Local 1303-254, seconded by G. Cordova Unanimously approved. MOTION CARRIED

Entered into executive session at 8:41p.m.
Exited from executive session at 8:51 p.m.
- 18. Adjourn**
G. Cordova moved to adjourn at 8:52 p.m., seconded by R. Coyle. Unanimously approved. MOTION CARRIED.

Respectfully submitted,

Gail Therian, Clerk



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

AMENDED

Board of Selectman, Board of Finance, and Board of Education
Special Tri-Board Meeting Minutes
Wednesday, October 16, 2013
Colchester Town Hall – 7:00 p.m.

HANGY A. BRAY
TOWN CLERK

2013 NOV - 1 PM 3:27

RECEIVED
COLCHESTER, CT

Board of Selectmen Members Present: Gregg Schuster, Stan Soby, Rosemary Coyle, Jim Ford and Greg Cordova (arrived at 7:24pm)

Board of Finance Members Present: Rob Tarlov, Rob Esteve, Tom Kane and Art Shilosky

Board of Finance Members Absent: John Ringo and Bill Curran

Board of Education Members Present: Ron Goldstein, Donald Kennedy, John Reeve, Michael Egan Mitchell Koziol and Mary Tomasi

Board of Education Members Absent: Brad Bernier

Others Present: Maggie Cosgrove, Jim Paggioli, Jeff Mathieu, Chris Bennett, Jennifer Olsen, Mike Caplet, Ryan Blessing and other citizens

1. Call to Order

First Selectman G. Schuster called the Board of Selectmen meeting to order at 7:00 p.m.

Chairman R. Tarlov called the Board of Finance meeting to order at 7:00 p.m.

Chairman R. Goldstein called the Board of Finance meeting to order at 7:00 p.m.

2. Citizens Comments

Linda Hodge voiced her concerns regarding the WJMS project, her support in the past for a standalone Senior Center and thanked the WJMS project building committee for all of their work (see attachment #1).

Jim Kelly voiced his concern regarding keeping the Board of Finance involved from day one in the WJMS project moving forward, slowing down on spending and watching the tax payers dollars.

3. Discussion and Possible Action on WJMS Renovation/New Construction Project

Discussion was had on meeting the June 30th State of Connecticut deadline. R. Goldstein stated they need to address the immediate needs of the school now and a decision for the future of the school cannot be rushed. The consensus was to take the June 30th deadline off the table.

Discussion was also had on forming a new building committee or keeping the existing one. First Selectman Schuster will look into legalities regarding this. **Rob Esteve** will gather analysis of data from referendum and **all boards will** work on outreach. First Selectman Schuster asked the registrars to look into placing a suggestion box at the November 5th election. Another tri-board meeting was scheduled for Wednesday, December 11th at 7:00p.m to continue discussions and present information gathered.

4. Citizens Comments

J. Malsbenden voiced his concern regarding the growth of all segments of the population and stated the boards need to be very clear with parameters and charge given to the future building committee.

L. Hodge stated she understands the bones of construction but her questions still stands which she will submit at the end of the meeting, she thanked R. Goldstein for answering several of the questions and she understands but still has questions. L. Hodge also stated a road plan did exist and a thorough vehicle inventory had been completed in the past. L. Hodge voiced her concern regarding the boards making the room inviting when citizens attend meetings and ask questions.

P. Piccard voiced his concern with remodeling the entire school and suggested if a suggestion box is placed at the polls to keep it to a few questions.

T. Peters suggested putting out options for citizens to decide and feels separate buildings will help.

J. Kelly voiced his opinion that the primary reason the building project failed from phone calls he has received and people he has talked with was due to size, tax increase and security issues.

R. DeVore stated he felt confused regarding new school vs. renovations to school; senior center should be located in an open space and was personally looking for a more fiscally conservative package utilizing all existing buildings in town.

S. Quattro suggested keeping it within the current budget.

5. Adjourn

R. Esteve moved to adjourn the Board of Finance at 8:37 p.m., seconded by A. Shilosky. Unanimously approved. MOTION CARRIED.

D. Kennedy moved to adjourn the Board of Education at 8:37 p.m., seconded by M. Tomasi. Unanimously approved. MOTION CARRIED.

R. Coyle moved to adjourn the Board of Education at 8:37 p.m., seconded by G. Cordova. Unanimously approved. MOTION CARRIED.

Attachment #1: Linda Hodge comments

Note: This meeting was recorded by a digital audio recording system and is available through the Colchester First Selectman's office in accordance with the Freedom of Information Act.

Respectfully Submitted,
Gina Santos, Administrative Assistant

Good evening. My name is Linda Hodge and I live at 4 Westerly Terrace. I will try to make my comments as succinct as possible; however, having read the agenda and the Board of Selectmen's minutes, I am unsure what the "WJJMS project" means.

The agenda reads "Discussion and Possible Action on the WJJMS Building/Renovation Project." To the best of my knowledge and unless I am missing something, since the referendum has failed there is no current WJJMS project.

→ Done one

Also, there is no actual motion in the Board of Selectmen minutes about tonight's meeting other than "all members support a tri-board meeting." The conversation that evening which is reflected in the minutes was "to discuss what the mandate was from the citizens and how to move forward." Yet at the same time Board of Selectmen members spoke about having to have a referendum in May to meet a June deadline, as well as the need for repairs to WJJMS, a new Senior Center, and a new Community Center.

So, although I would like to be very succinct, I am going to address all of them to ensure I cover all bases.

(1) First I want to thank the WJJMS Project building committee for all of their work. They did exactly what the Board of Selectmen charged them to do and they did it well. With their charge being complete, I believe there is no longer a building committee in existence. Is that true?

(2) Regarding William J. I have been an education advocate nation-wide for over 25 years and a former member of the Colchester BOE. I am NOT opposed to building new schools. However, I have several questions regarding the school. (a) The architect himself said at the last public meeting that the bones of the school are fine. So, why do we need a new school? (b) I also heard during one of the public meetings that we needed a new school to support the current team teaching methods. Does that mean we build a new school every time teaching methods change? Are there not ways we could actually make it work in the current structure? (c) Was WJJMS not renovated sometime in the past 20 years? If so, why is it falling apart already? I don't mean "because it was not maintained" – that is clear. I would like specifics. (d) Why was regular maintenance not performed on the school in recent years, i.e. windows falling out? (e) And, finally, why were WJJMS boilers not included in the recent \$4 million energy project?

Again, I am not opposed to building new schools if needed. I am just not convinced that a school such as the one proposed IS needed. It's the difference between wants and needs ... and prioritizing needs. There are a lot of empty houses, houses for sale, foreclosed homes, and abandoned properties in Colchester - more than I have ever seen growing up here, during our visits while Bob was stationed elsewhere, and since we returned home 17 years ago. Our taxpayers cannot afford wants at this point, but I do believe they will consider needs.

I also heard that one of the reasons for the WJJMS project was the availability of extra space at WJJMS in coming years and lack of space at Town Hall. It seems to me that the two entities that make total sense to house on a school campus are the Youth Center and the Board of Education. Housing the BoE at WJJMS would free up a

significant portion of Town Hall and moving the Youth Center would mean that the Town could also use old Town Hall for additional space if needed. Yes, renovations of Old Town Hall may be needed at some point, but they are going to be needed anyway at some point. Perhaps we should start planning ahead for that time?

(3) And finally, the Senior Center. You all know that I have supported a stand-alone Senior Center since I was in office. In 2008, just after I took office, Friends of the Senior Center submitted a plan for a stand-alone Center on town property. That plan showed expenses to the Town of \$250,000 after available grants. As the recession had just begun and was hitting our citizens hard, I did not think it a good time to bring a new project forward.

I sent the report to the Commission on Aging in early 2009 with instructions to Patti White, Senior Center Director, and Adam Turner, Town Planner, to work with the Commission to make the Senior Center a priority. Selectman Coyle, who was liaison to that commission, told them that "the Commission on Aging is a separate entity by Town Charter and is unable to join with any other group". Acting on her comments and believing they could not use the study provided, minutes of the commission over the next few months highlight the development of the Senior Center Study Group. I have attached the applicable minutes to this document so those suggestions can also be part of the ongoing discussion.

The Friends of the Senior Center Study should be in the First Selectman's office files. However, in the event it is not, I was able to obtain a copy of that report and also submit it to you with this testimony. I would urge you to consider this a viable and potentially actionable plan.

If we have to purchase land to build a Senior Center, I suggest that the Town explore purchasing the Colchester Bakery land. I believe it abuts land the Town already owns, is in an easily accessible area without a crazy amount of traffic, and is close to senior housing areas. At the same time, placing a beautifully designed and well used town building on Lebanon Avenue would do more to revitalize that area than new benches and light poles.

I apologize for speaking at length, but hope you will consider some of what I have said. Since these are public comments, I am well aware that you are not obligated to answer at this time. I will however be researching the answers to these questions in upcoming days. Once again, I ask that my comments be attached to the minutes of this meeting. Thank you for your time and attention.

January 24, 2008

President Norman J. Dupuis
Friends of the Colchester Senior Center
147 Standish Road
Colchester, CT 06415

First Selectman Linda Hodge
Colchester Town Hall
129 Norwich Avenue
Colchester, CT 06415

Dear First Selectman Hodge:

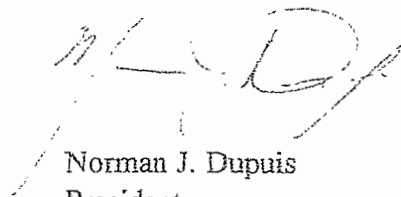
During calendar year 2007, the Friends of the Colchester Senior Center undertook a study to determine the size and space allocation of a proposed new senior center that would best serve the needs of today's seniors and future generations of seniors.

Attached is the Final Report that the Friends request become part of any town file or record relative to studies done that address the issue of a new senior center for the town of Colchester.

In addition, the Friends feel that this Final Report should be made available to any future town task force or building committee that may be appointed to address this issue of the need to replace the existing senior center building which is owned by the Bacon Academy Board of Trustees.

The Friends thank you for your interest and support for a new senior center within the context of today's political and economic conditions.

Sincerely,



Norman J. Dupuis
President
Friends of the Colchester Senior Center

cc: Cathy Russi

**FINAL REPORT
FOR
A PROPOSED NEW SENIOR CENTER
TOWN OF COLCHESTER,
CONNECTICUT**

**PROPOSED BY:
The Friends of the Colchester Senior Center
December 2007**

**FINAL REPORT
FOR
A PROPOSED NEW SENIOR CENTER
TOWN OF COLCHESTER, CT**

During calendar year 2007, the Friends of the Colchester Senior Center undertook a study to determine the size and space allocation of a proposed new senior center that would best serve the needs of today's seniors and future generations of seniors.

The study included, but was not limited to:

1. Site visits to other senior centers.
2. The development of a space needs assessment.
3. Development of a survey.
4. Writing letters and attending meetings of the town, board of finance and Selectmen.
5. Searching for volunteer architectural support to professionalize the concept plan presented with this report, as well as other plans.
6. Attending a one day workshop sponsored by the CT State Department of Economic Development. The workshop was devoted to available state and federal grants for such facilities as senior centers.
7. Existing Colchester Senior Center square footage identified along with suitable town land available for a new center.

Background Information about the Friends of the Colchester Senior Center

Shown as Exhibit A, is the "Friends" mission statement and goals that were adopted in January 2007.

Exhibit B is the Friends' By-Laws which were adopted in April 2007.

Exhibit C is the Friends' logo and "Networking Model" which was adopted in September 2007.

1. SITE VISITS: The officers of the "Friends" made visits or obtained floor plans from local senior centers/community centers as follows:

Visitations were made to the management of the East Haddam, Glastonbury, Hebron, Old Saybrook senior centers. We also attended one public hearing for the new Lebanon Senior Center.

Floor plans for the above were obtained as well as floor plans for the following centers that were not visited such as; Wallingford, Marlborough and Granby.

Other sites not visited, but ones that we were encouraged to see, were centers in Norwich, Ashford and Farmington. These sites are recommended by the "Friends" to the future town senior center task force.

RECOMMENDATIONS: During our visits, two common recommendations from center administrators were to make sure there is enough storage space and to make sure the kitchen is large enough.

2. NEEDS ASSESSMENT: Based on site visits; review of other centers' floor plans; interviews and observations, the "Friends" came up with a "Tentative Space Needs for the New Senior Center". (See Exhibit D.)

RECOMMENDATION: In designing a new Senior Center the majority of the items listed should be accounted for in terms of space assignments.

3. SURVEY: The "Friends" utilized the above Needs Assessment as a basis of a survey. Exhibit E is a copy of the survey and a tabulation of the results. Following the results is a listing of comments received along with the survey.

Twenty-one responses is not many compared to a total population of approximately 2,640 registered voters ages 55 and over. However, the 21 responses are from the customers of the center who actually use the center from time to time.

RECOMMENDATION: The "Friends" would have liked more input from residents in their forties and fifties relative to what they would expect to see in a senior center when they reach age 62, for example. The "Friends" recommend that this be done when funding is available.

4. LETTERS AND MEETINGS: The "Friends" lobbied against the proposal of the town's Park and Recreation Task Force for a new community center that would include a senior center.

The position of the "Friends" is that serving the needs of the youth in town is completely different than serving the needs of the seniors. A senior center should not be competing on a daily basis for parking, security of property and shared space. The center should be free of excess noise.

In addition, it appeared to the "Friends" that a senior center should move forward on its own merits and not be held back by a dream of someday having a community center complete with a swimming pool and gymnasium. The "Friends" prevailed to some extent by gaining approval of the administration to separate the two issues.

RECOMMENDATION: Continue to lobby for a stand-alone building to house the senior center at a location in or near the center of town.

5. VOLUNTEER ARCHITECTURAL SERVICES: With the help of Peter Aigiros and Home Designs by Bruno, the "Friends" were able to get scale drawings of four concept plans plus a drawing of the existing senior center.

Due to the size of the drawings, only the most conservative drawing is presented here as Exhibit E.

The exhibit space layout is approximately 7,200 square feet and can be expanded incrementally to 10,000 square feet by expanding the kitchen, storage areas, craft room, and identifying mechanical space.

RECOMMENDATION: That the town senior center task force seriously consider the design presented here by the "Friends".

6. WORKSHOP: On June 26, 2007, the president of the "Friends" attended an all day workshop sponsored by the CT State Department of Economic and Community Development in Hartford. The subject of the workshop was the "competitive application" process for the U.S.

HUD "Small Cities Grants" and the state's Office of Policy and Management's "Small Town Economic Assistance Program" (STEAP).

The following notes were made:

- a. A new Colchester Senior Center would qualify for a \$750,000.00 federal grant.
- b. A new Colchester Senior Center would qualify for a state STEAP grant of \$500,000.00.
- c. This funding is available for senior centers and the facility must be used solely for that purpose for 5 to 10 years.

NOTE: A community center is not eligible for this funding.

Using the proposed floor plan mentioned in item 6 above, the following financial data is presented:

Proposed new senior center	7,200 sq.ft.
Average estimated cost of new construction @ \$200/sq.ft.	\$1.44 million
Estimated cost of the center paid for with state and federal grants	\$1.2 million
Town Bonding required for balance	\$240,000.00

RECOMMENDATION: The town senior center task force or building committee would need to file grant applications on or about July 1st to qualify for the September/October competition for funds. The town would need to be ready for bidding and starting construction in late fall or early spring of the following year.

7. TOWN LAND AVAILABLE FOR A NEW SENIOR CENTER: The "Friends" have identified a town owned parcel of land that is suitable and available for the construction of a new senior center.

The parcel, which is adjacent to the west side of the existing town hall is identified as assessor's lot 48-1, map 16.

The subject parcel is 1.38 acres and has access from the town hall property and a potential access from Louis Lane.

As far back as July 26, 2001, the town engineer had identified this as a potential site for a two story, 30,000 square foot building to house Children and Youth Services on the top floor and a senior center on the first floor. (See Exhibit F.)

In 2007, the "Friends" are proposing a 7,200 square foot building, wood framed, and one story for the exclusive use of a Town of Colchester Senior Center.

RECOMMENDATION: The "Friends" urge the current administration to move forward with this recommendation.

Mission Statement

The mission of the Friends of the Colchester Senior Center is to be an advocate for a new facility, which will serve the growing needs of the seniors today, as well as seniors of the future.

Goals

- The Friends shall promote public awareness of programs and services available to all seniors that are designed to meet a wide range of interests and needs now, and in the future.
- The Friends shall shape public opinion by timely press releases that report on the efforts and progress of the Friends of the Colchester Senior Center
- The Friends shall stress the need for a new senior center to replace the current aging facility.
- The Friends shall work with other groups to advocate for functional space and equipment that will make the new Senior Center inclusive to attracting a wide sector of seniors.
- Over the next year the Friends will develop fund raising strategies so the Friends will be able to purchase equipment and materials for the new center that would not normally be available through the center's operating budget.

Adopted January 2007

BY-LAWS FRIENDS OF THE COLCHESTER SENIOR CENTER
(Approved April 2007)

ARTICLE I-NAME

The name of this organization shall be "Friends of the Colchester Senior Center".

ARTICLE II- PURPOSE

The purpose of this organization shall be to:

1. Promote public awareness of programs and services available to all seniors that are designed to meet a wide range of needs and interests now and in the future;
2. Shape public opinion by timely press releases that report on the efforts and progress of the Friends of the Colchester Senior Center;
3. Stress the need for a new senior center to replace the current inadequate and aging facility;
4. Work with other groups to advocate for usable space and equipment that will make the new senior center conducive to attracting a wide sector of seniors;
5. Develop fundraising strategies so that the Friends will be able to purchase equipment and materials for the new center that would not normally be available through the center's operating budget.

ARTICLE III— MEMBERSHIP

Section 1. Membership in the organization shall be open to all individuals, businesses and organizations subscribing to the purposes outlined above.

ARTICLE IV - OFFICERS

Section 1. The officers of the organization shall be:

President, Vice President, Secretary, and Treasurer.

Each officer's term shall be for a minimum of one (1) year, not to exceed two (2) years.

Section 2. Duties of Officers:

- President — preside over and conduct meetings of the organization.

Establish any committees from the membership that are deemed necessary for the proper operation of the organization.

- Vice President — Perform the duties of the president in the absence of that officer and assist with the procedural functions of the organization.

- Secretary - Record attendance at all meetings; take minutes of all meetings; notify members of the time and place of meetings; and conduct the correspondence of the organization.

- Treasurer — Keep and maintain the financial records of the organization, report the status of these records at each regular meeting and be responsible for the receipt and disbursement of all organization funds.

Section 3. Employees of the senior center staff may not serve as officers of the Friends of the Colchester Senior Center.

Section 4. Unless otherwise voted by the membership, the fiscal year shall begin on April 1st each year.

Section 5. The president and the treasurer between scheduled meetings shall approve miscellaneous or unanticipated expenses.

ARTICLE V - ELECTION OF OFFICERS

Section 1. Nomination for the officers shall be presented at the February meeting.

Section 2. Election of those nominated shall be by a simple majority of the members present at the March meeting.

Section 3. Newly elected officers shall assume their duties at the regularly scheduled April meeting.

ARTICLE VI - MEETINGS

Section 1. Meetings of the organization shall be on the 4th Thursday of each month. The president or the vice president may call special meetings with one-week notice to all members of the organization.

Section 2. Executive Board meetings shall be scheduled by the president as he/she determines is appropriate.

Section 3. Actions of the organization shall be determined by majority vote, of those members in attendance, at the regularly scheduled monthly meetings.

Section 4. The fourth Thursday in March will be the date of "Annual Meeting", at which time elections will be held and the president shall make a presentation reviewing the past year.

ARTICLE VII- MEMBERSHIP DRIVE

A membership drive to enroll new members will be held throughout the year.

ARTICLE VIII- NON PROFIT STATUS

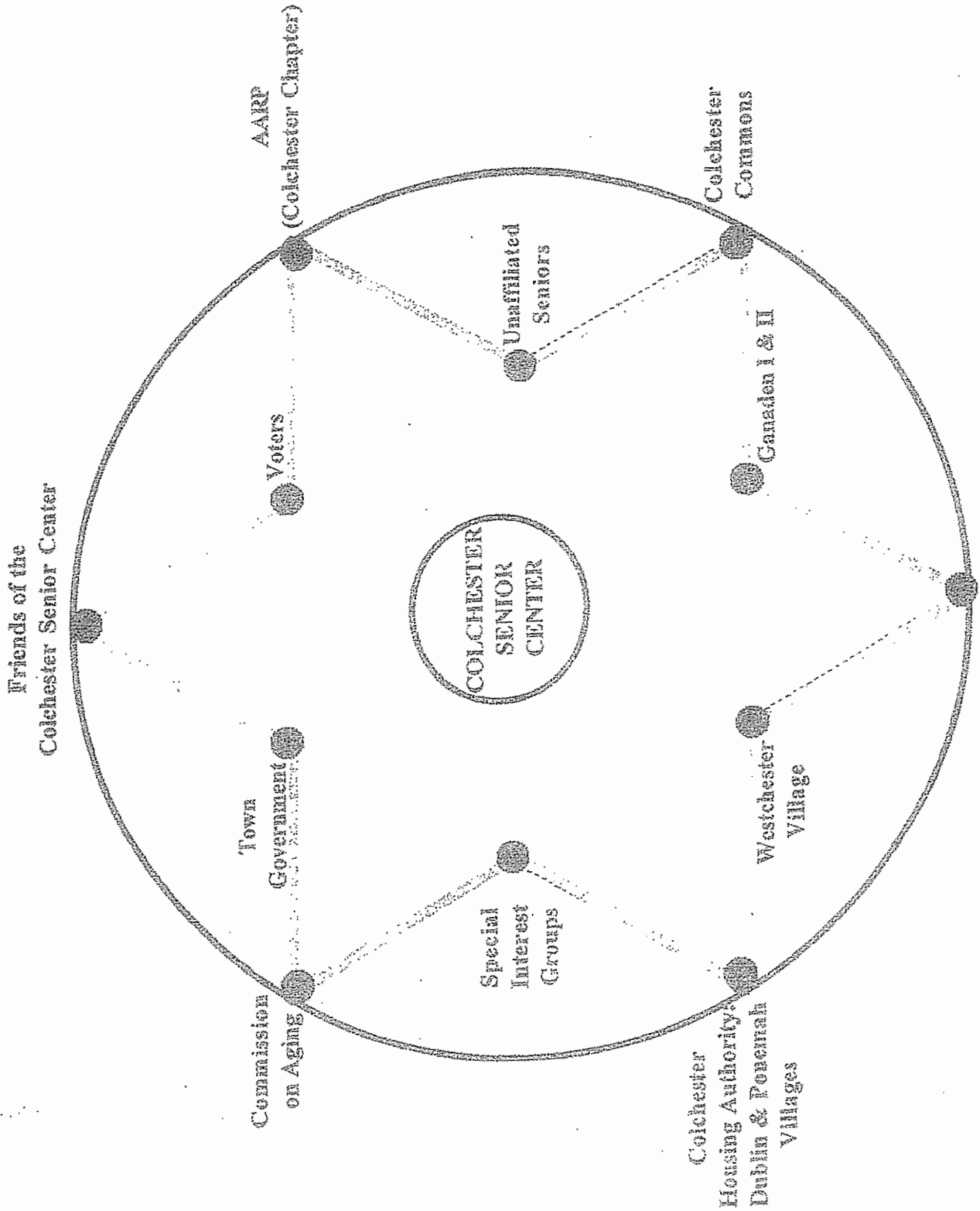
Section 1. No profit shall accrue to any officers or members of the organization as a result of the activities of the organization. Any funds, goods or services accepted by the organization, less operating expenses (if applicable), shall be for the benefit of the Friends of the Colchester Senior Center and shall not be used for any other purpose.

Section 2. In the event of the dissolution of the organization, any funds in the treasury shall be donated to the Colchester Senior Center.

ARTICLE IX - AMENDMENTS

The by-laws may be amended at any regular meeting of this organization by two-thirds of the members present, provided that all current members are notified of the meeting date and its purpose two weeks in advance of the meeting.

FRIENDS OF THE COLCHESTER SENIOR CENTER ~ NETWORKING MODEL



55+ Complexes
New or Underway

TENTATIVE SPACE NEEDS FOR
THE NEW SENIOR CENTER
(Senior Recreation Center)

- Foyer
 - Lobby Area
 - Front Entrance with Porte-cochere
 - Rest Rooms
 - Receptionist/Administrative Assistant's Office
 - Technology Room
 - Exercise Room
 - TV/Lounge Room
 - Library Room
 - Game Room
 - Billiards Room
 - Dining Room
 - Kitchen
 - Frail Elderly Room
 - Storage Room
 - Custodian Room
 - Employee Break Room/Transportation Staff Work Room
 - Program Room (crafts and group functions)
 - Walking Track (indoors)
 - Music Room
 - Woodworking Shop
 - Greenhouse
 - Barbecue Area
 - Parking Lot
 - Stairs
 - Basement Storage Room
 - Automatic Door Push Button Opener for Front Entrance
 - Mechanical Room
 - Health Screening/Counseling Room
- Note: Room sizes and relationships to be determined by site visits and existing conditions.*

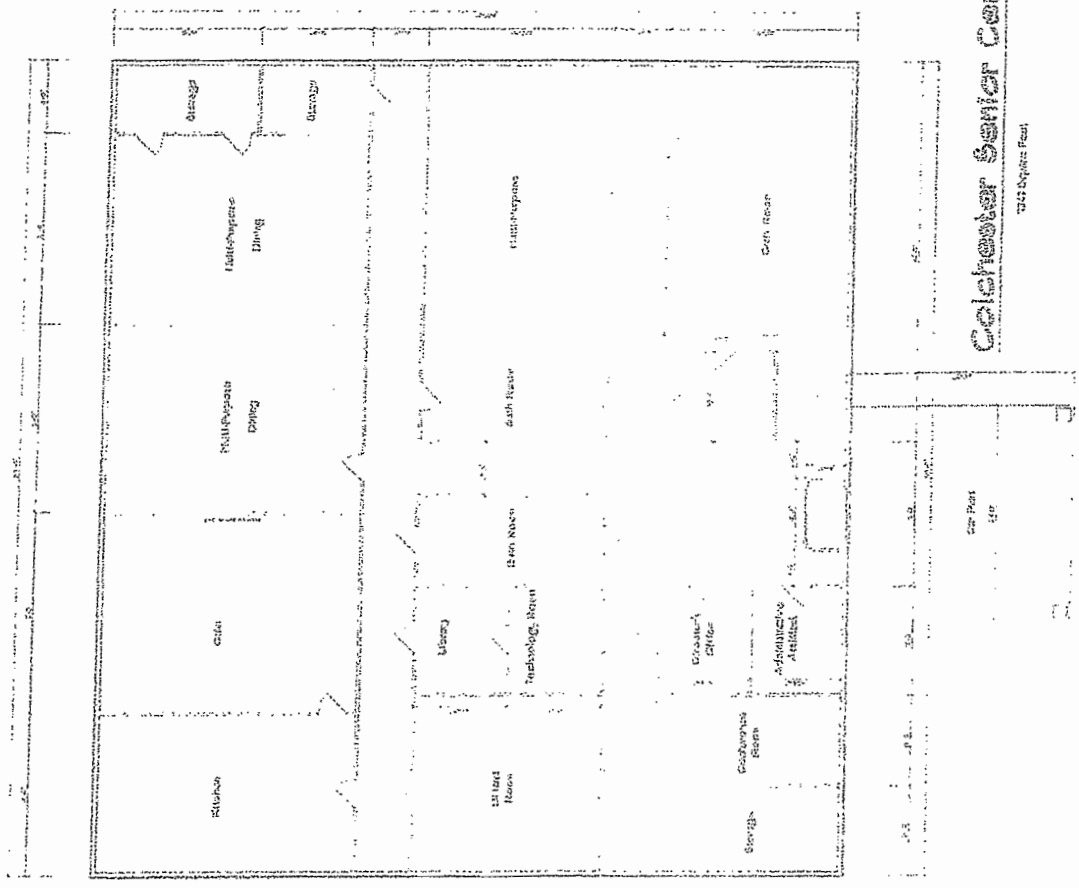
oplc Completed The Survey April-June, 2017

THE "FRIENDS"
TENTATIVE SPACE NEEDS FOR
THE NEW SENIOR CENTER
SURVEY

Type of Room	Must Have	Nice to Have	Combine With	Eliminate
Foyer	5	5	3 ↗	
Lobby Area	5	5	4 ↗	
Front Entrance with Porte-cochere	11	5		2
Rest Rooms	20			
Receptionist/Administrative Assistant's Office	13	4	1	
Technology Room	4	10	2	
Exercise Room	15	3		
TV/Lounge Room	10	6	1	2
Library Room	12	6	3	
Game Room	9	3	1	1
Billiards Room	10	2		2
Dining Room	21			
Kitchen	21			
Frail Elderly Room	11	5		1
Storage Room	14	4	3 ↗	
Custodian Room	12	2	3 ↗	
Employee Break Room/Transportation Staff Work Room	10	9		
Program Room (crafts and group functions)	17	1		
Walking Track (indoors)	1	7	1 (exercise)	3
Music Room	6	5	2	2
Woodworking Shop	5	3	1 (hobby)	1
Greenhouse	5	10		2
Barbecue Area	5	6	1	2
Parking Lot	16	1		
Stairs	7	2		3
Basement Storage Room	7	5		1
Automatic Door Push Button Opener for Front Entrance	16			
Please write any comments in this space:				
Add:				
Health Screen. ng Room	3			
Mechanical Room	3			

COMMENTS RECEIVED WITH SURVEY

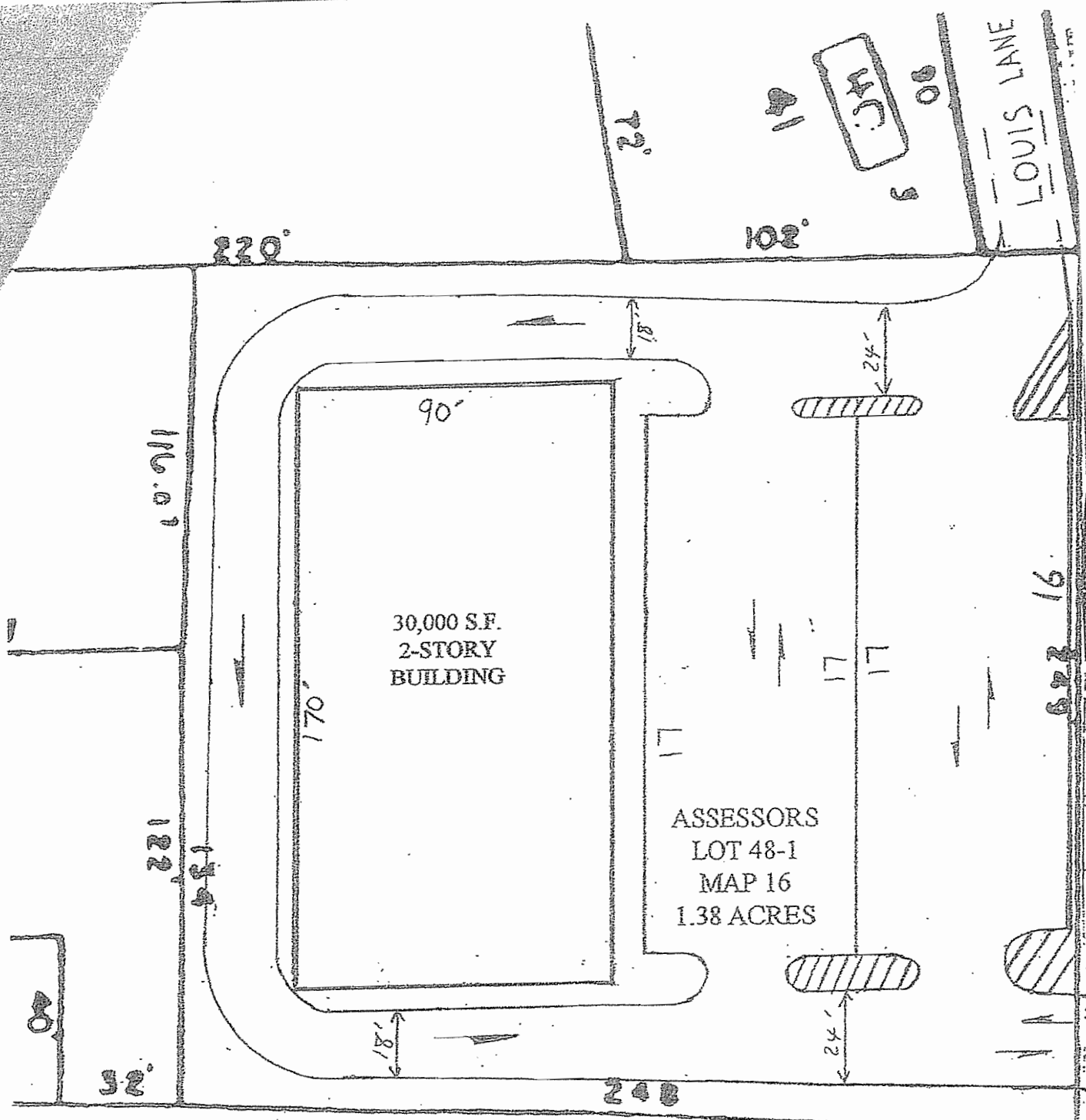
1. Provide ease of parking to entryway, especially in inclement weather.
2. Have adequate lighting for the parking lot.
3. Make proposed senior center as big as possible - for future growth.
4. Install handicapped toilets with high seats.
5. Have one full length mirror in the ladies room.
6. Combine music room with dance room.
7. Have a transportation van for wheelchairs and the elderly.
8. A new senior center is needed very much.
9. Set up senior center to attract both men and women.
10. Set aside a dance floor to have fun as well as for guest speakers.
11. Need more parking than currently exists.
12. Install elevator if required at the new senior center.
13. Set aside a room for health screening/consulting.
14. Need a technology room with internet access.



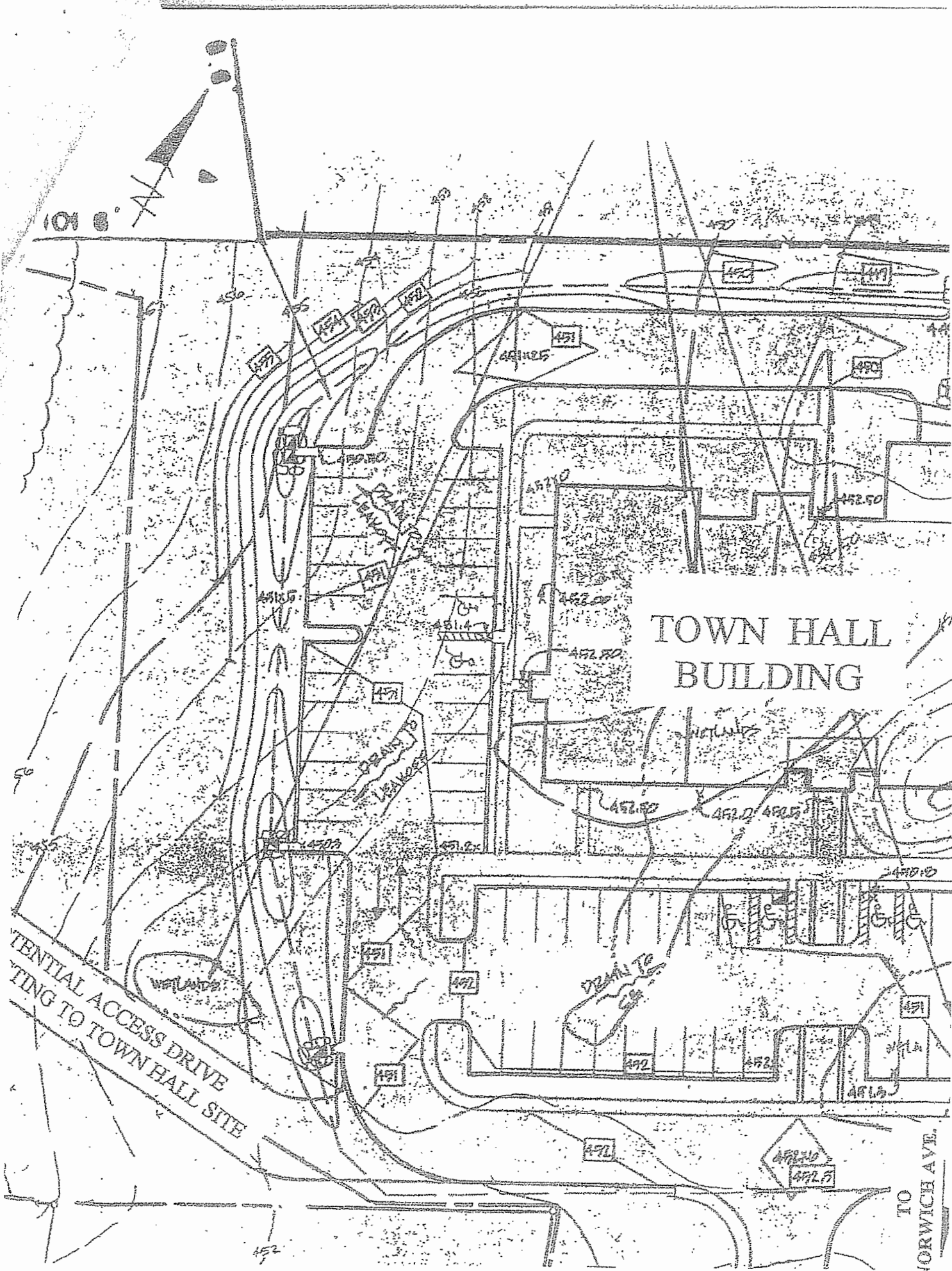
Colchester Senior Center

7342 Square Feet

See Part 10



SCHEMATIC PLAN FOR:
POTENTIAL COMMUNITY CENTER
 ASSESSORS LOT 48-1, MAP 16
 LOUIS LANE, COLCHESTER CT.
 SCALE: 1"=40'
 DATE: July 26, 2001
 BY: SALVATORE A. TASSONE P.E.
 TOWN ENGINEER
 SHEET 1 OF 1



TOWN HALL BUILDING

POTENTIAL ACCESS DRIVE
LEADING TO TOWN HALL SITE

TO WORWICH AVE.

DRAIN TO
LEAKOFF

DRAIN TO

TOWN OF Colchester CONNECTICUT

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Commission on Aging Minutes 4 13 2009

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Colchester Commission on Aging
Regular Meeting Minutes
Monday, April 13, 2009 – Colchester Senior Center

Members Present: Chairman Jean Stawicki, Vice-Chair Clara Erickson, Bernie Erickson, Sue Maikshilo, Barbara Warden, Bill Wagner

Members Absent: Betty Ann Oppelt

Others Present: Patti White, Friends of the Senior Center

1. Call Meeting to Order: The meeting was called to order at 1:04 p.m.
2. Minutes: Jean Stawicki asked to remove the line regarding the mentoring program between high school students and seniors in the Old Business, Accreditation section of the March minutes as this was a suggestion, not a current program. Sue Maikshilo motioned to approve the regular meeting minutes of 3/9/09 with this change. Clara Erickson seconded. All other members present voted in favor. MOTION CARRIED.
3. Financial Report: Bernie Erickson reported that the senior center collected \$300.65 in March from bus transportation. Of that, \$85.00 was from out of town trips including shopping, The Gong Show and lunch. Clara Erickson motioned to accept the Financial Report. Sue Maikshilo seconded. All other members present voted in favor. MOTION CARRIED.
4. Budget: Patti White reported that next year's budget hasn't changed from last month. If there are more cuts to be made, it probably won't be until after the town referendum.
6. Chairman's Report: Jean Stawicki reported that Theresa Hendricksen was sworn in as a new Commission member. She also stated that she and Patti attended the Lebanon Senior Center's open house. They spoke with the architect who offered to provide some preliminary services to Colchester.
7. Senior Center Director's Report: Patti White stated that all grants have been sent in including those for the replacement bus and the renewal for municipal transportation. KEB confirmed that they received the grant for outside furniture and are waiting to hear from the Lion's Club about the privacy screen.

There will be another trip to the casino since there is a big demand for this particular trip.

AARP will finish the tax work on April 15th and will return later in the month to hold a safe driving course. Patti added that Norm Dupuis was elected the new president of the Colchester Chapter of AARP. His term will begin in September.

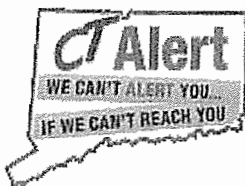
5. Friends of the Senior Center: Norm Dupuis began by saying he had hoped Rosemary Coyle would be there. Patti said that Rosemary was unable to attend, but did ask her to pass on that the Commission on Aging is a separate entity by Town Charter and is unable to join with any other group.

At this point Adam Turner, Town Planner, joined the meeting.

Norm said that the Friends of the Senior Center have done extensive research by visiting or talking to the senior centers of Lebanon, East Haddam, Hebron, Wallingford and Marlborough. They were looking for building plans, floor plans, square feet, parking and storage. From that information, they developed a needs assessment for Colchester and came up with about 20 items. They converted that into a survey but received only about 25 responses. They found 2 architects who would volunteer their time. They then developed a proposal of a 7,200 square foot senior center.

In 2001, the town engineer prepared a site plan for a community center. It included a 30,000 square foot building with 2 floors. The 1st floor was for the senior center and the 2nd for a community center. It was to be located on the land to the left of the existing Town Hall, with access from Louis Lane.

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**Town of Colchester
Prescription Drug Discount
Program**

The current senior center is laid out as a school, with 4 equal rooms of 998 square feet each. The proposed center has a carport for vans, offices for the administrative assistant and director as soon as you walk in the building. It also includes a conference room, rooms for crafts, technology, billiards, library, multi-purpose, dining, a cafe area and 3-4 storage areas. The proposed building is 90' x 80'.

Norm stated that the Friends of the Senior Center feel there should be one voice speaking for the new senior center. Jean added that Linda indicated at the last meeting that in order for the project to get off the ground, the Commission on Aging would have to present it to the town. Norm asked the Commission if they would add an item to the agenda for this early in the meeting so they could attend that part then break off to hold their own meeting.

Norm passed out the report that they filed with the First Selectman on January 24, 2008 as well as a list of 24 items that they feel are wrong with the current facility.

Norm said they need to get the Board of Selectmen to designate a site of land for the new center because they can't go any further with drawings or architectural work without that. Adam Turner asked whether the town is supportive of building a separate senior center. He thought they had already decided on a combined senior center/community center. Bill Wagner added that there has never been a written decision stating a community center. Adam stated that he'd need 1) a site, 2) a firm decision from the Selectmen stating that they would support a stand-alone senior only configuration, 3) cost structure and 4) financing.

Norm said if you take the 7,200 square feet and multiply by \$200 per square foot, you get a cost of \$1.4 million. He feels that they could get \$750,000 from HUD and \$500,000 from the state, leaving a balance of 250,000 for town bonding. Patti asked Adam about timing for the CDBG grants. Adam answered that if you are approved for the funding, the money is available when you receive the approval. He added that Federal and State monies are currently available to request. Bill stated that if a bond is retiring, then this could step in and have no effect on Colchester taxpayers. He also said that it's a perfect time to bond because of low interest rates.

Adam remarked how lucky the town is because of Norm and the Friends of the Senior Center. They have done so much work on this project already that they are close to being able to move forward. Without this start, he would not be as optimistic as he is. He added that HUD will want to know what the need is, how do you plan to address it, does the building meet all standards, land and whether the community's on board with a commitment and financing. Adam also offered to attend meetings and help in any way he could.

At this point, Adam left the meeting.

Norm said that under Federal Standards, a senior is age 62 and older. There are some people under this age who use the senior center. They would have to see about this when looking into HUD funding because for them to finance a senior center, it would only be able to be used by seniors. Patti asked if disabled citizens would be exempt from this. Norm said they'd need to look into that also.

Jean asked Norm how other towns handled the project at this point. Norm said they would probably establish a building committee with different members of the community. Jean wanted to know where to start to bring it to the Board of Selectmen. She proposed holding a vote with the Commission on Aging to see if they want to take this on as a project. Clara asked if this was what Rosemary meant they couldn't do. Patti restated that Rosemary just said that they were a separate entity and couldn't join with any other group. Bill and Jean felt that this is exactly what the Commission is supposed to do by being advocates for Colchester seniors.

Sue Maikshilo motioned for the Commission on Aging to build on the work of the Friends of the Senior Center to prepare a written presentation to submit to the Board of Selectmen with a recommendation to build a new senior center and to also present to the town as a whole. Bill seconded. All other members present voted in favor. MOTION CARRIED.

8. Old Business: No new items were reported.

9. New Business: No new items were reported.

10. Adjournment: Sue Maikshilo motioned to adjourn the meeting at 2:15. Barbara Warden seconded. All other members present voted in favor. MOTION CARRIED.

Respectfully submitted,

Michelle Komoroski

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Commission on Aging Minutes 5 11 2009

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Colchester Commission on Aging
Regular Meeting Minutes
Monday, May 11, 2009 – Colchester Senior Center

Members Present: Chairman Jean Stawicki, Vice-Chair Clara Erickson, Bernie Erickson, Sue Maikshilo, Theresa Hendricksen

Members Absent: Betty Ann Oppelt, Barbara Warden, Bill Wagner

Others Present: Patti White, Rosemary Coyle, Norm Dupuis, Tom Maikshilo

1. Call Meeting to Order: The meeting was called to order at 1:03 p.m.
2. Minutes: Sue Maikshilo motioned to approve the regular meeting minutes of 4/13/09. Clara Erickson seconded. All other members present voted in favor. MOTION CARRIED.
3. Friends of the Senior Center: Norm Dupuis stated that he received the document from Jean Stawicki dated 5/1/09 entitled 'Evaluation of Current and Possible Senior Center Buildings in Colchester' (see attached). This is a letter Jean put together to get all the ideas for moving forward on a new senior center on the table for discussion. First he agreed that it can be an important building block especially if it becomes a public document. He proposed changing the title to 'Accreditation and Proposed New or Renovated Senior Center in Colchester'. Norm stated that he would like to address accreditation and the senior center as two separate issues. Jean said that she sees them as one and the same because accreditation is not possible in the building that currently houses the center.

Norm suggested that the 1st paragraph of the document should say who grants accreditation. Jean said it's the National Institution of Senior Centers who is a constituent unit of the National Council of Aging, Inc. Norm would like to add 'Accreditation' to the 2nd paragraph title and would like to strike the July 2010 line item stating that there will be a new chairman of the Commission on Aging as this has nothing to do with the purpose of the document. He also added that the item on the 2nd page regarding tearing down the present building and rebuilding a replica is not a viable option as the town does not even own the building. Jean said she included that because it had been proposed to her by someone else. She said that she tried to put all options together so they could be studied in minute detail with the goal of bringing their recommendations to the Board of Selectmen after studying all options put forth on the issue.

Jean said she hoped to bring all the people together who wanted to work on reviewing the building and her list of proposals and have them set up a time to meet. She would like all of these issues to be taken up at that meeting including how to break it down into manageable pieces.

Clara Erickson asked what advantages come with accreditation. Jean replied that funding is the biggest benefit. People and organizations tend to donate funds to accredited organizations before those that are not. She explained that accreditation is a self-study process that ensures the center is offering the most current senior programming. More funding would mean running more trips, providing more programming and additional services. She also said it brings in more community support as a requirement. Patti added that the Department of Social Services, which does not fund senior centers, is looking at creating quality of care services and best practices for senior centers and communities to follow.

Jean stated that when she was looking at accreditation, she didn't realize that the building would be such a problem which is why she sees accreditation and a new home for the senior center as one issue. Rosemary Coyle suggested reviewing what's already been done within the town. She said that she believed, per the town charter, that any ad hoc committees formed by a commission need to be appointed through the Board of Selectmen. Jean felt that the commission could put together this report without going through that process. Rosemary explained that it is the process of the charter. She said she would check on it to be sure.

Patti asked all to step back and remember that everyone is working toward the same goal. There was discussion regarding how to move forward with the process. Sue Maikshilo said a lot has to do with the environment they're in. They can't make any changes to the building because it's owned by the Bacon Academy Board of Trustees and is also an historical building.

Bernie Erickson stated that Parks and Rec and the Facilities Task Force have both made formal reports to the Board of Selectmen recommending what to do with existing buildings and areas owned by the town. However, the work that the Friends of the Senior Center compiled has never been brought before the Board of Selectmen. Rosemary said that the Commission should look at these other reports because support needs to be taken from the beginning and brought along as the research is done rather than just coming in at the end so everyone sees the process and can come to the same conclusions. This helps to build support along the way.

Norm said there are three reports out there that they could research. The one done by Parks and Rec studied building a senior center into a community center. The danger of that would be that the building itself would be under control of Parks and Rec. Another report was presented by a consultant studying the use of existing buildings. It wasn't until the consultant hit the \$50 million level that a senior center shows up in the report. It places the center in one of the wings of an existing school. Then there is the report completed by the Friends of the Senior Center.

Jean would like various people from the community to sit on a committee that could break down the list into smaller parts. Rosemary said they should think

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Town of Colchester
Prescription Drug Discount
Program

about what types of individuals they would like on the committee, such as building inspector, contractors, etc. that can bring in the skills and expertise that they need. Clara motioned that they wait for Rosemary to know if it needs to be run through the Board of Selectmen. Jean said there is not enough time to wait for an answer and the Board of Selectmen doesn't have the authority to appoint members on this. Rosemary explained that any committees need to be approved by the Board of Selectmen for their work to be taken into consideration.

Jean explained that she sees three things happening. First to form a committee that can be split into subcommittees to study all reports, then to write up the goals and process of what each committee would do and finally, to look at community members to serve on the committees.

Norm stated that they're all there. First, the \$50 million option from the Board of Education proposal (the Facilities Task Force), second the proposal from Parks and Rec, third, the proposal from the Friends of the Senior Center and the fourth being to use the senior center as a community center and find a new home for the seniors. Jean proposed looking at all of these proposals as well as the others that she included so the committee can do a full cost analysis to present to the Board of Selectmen so they can decide the very best plan for a proper senior center. This way any questions that come up can be answered from one place.

Norm said that the Friends have already come up with 24 items that are wrong with the current center which they valued at \$200,000. Patti reiterated that everyone is on the same page but that they need to wait for Rosemary to check on rules for appointing committees. Jean said she'd like a committee to begin meeting and they should decide if it should be daytime or evening meetings.

At this point, Rosemary left the meeting.

Sue felt that evening meetings would be best so that younger people and professionals could attend. Jean said anyone from the Commission on Aging or the Friends of the Senior Center could sit on it and they should try to get someone to chair it. Patti suggested someone from the outside should chair. She held that the commission should build on the work that others have done and focus on adding other people into the fold. Jean said she's looking at breaking it down into subcommittees which would gain community support by including many people. Patti stressed that the goal should be to bring it up to the Board of Selectmen.

Jean asked for a motion to form a subcommittee. None was made. Norm asked that they add the list of 24 problems with the current facility as well as the reports from the Friends, Parks and Rec and the Facilities Task Force.

At this point, Rosemary returned to the meeting. She read from the Code of the Town of Colchester, Connecticut, v11 Updated 03-01-2009/The Charter/Article IV, The Board of Selectmen, subsection C-402, Powers and duties of the board of Selectmen, paragraph E, which states: The Board of Selectmen, acting in its sole discretion, may appoint such temporary boards, commissions, committees or study groups as it may from time to time determine are necessary. For purposes of this section, only boards, commissions, committees and study groups which are reasonably expected to remain active for one year or less shall be considered temporary.

Rosemary suggested that the Commission notify the Board of Selectmen that they want to set up a committee that will look at all the research that's been done to make a recommendation to the Board of Selectmen. Jean said she wants people to be put on the committee by the Commission on Aging, not by the Board of Selectmen because people don't want to be appointed. She is thinking it will take about 150 people to be able to break down into very small groups to analyze all the pieces. She stated that the Board of Selectmen will require quorums, agendas, minutes, etc. Rosemary said this is all required by the Freedom of Information Act.

At this point, Norm Dupuis and Tom Maikshilo left the meeting.

There was discussion regarding how to move forward with appointing a committee. Theresa Hendricksen motioned to table the discussion until the next meeting. Sue Maikshilo seconded. All other members present voted in favor. MOTION CARRIED.

4. Financial Report: Bernie Erickson reported that the senior center collected \$327.20 in April from bus transportation. Of that, \$133.00 was from out of town trips.
5. Budget: Patti White reported that the budget will go to referendum on May 12th. She had originally put \$1,500 into the programming line, but it got cut to \$750.
6. Chairman's Report: No items were reported.
7. Senior Center Director's Report: Patti reported that some Bacon Academy students will come on June 11th to paint one of the rooms at the center.

Patti will be away from the center to attend training on the next four Wednesdays.

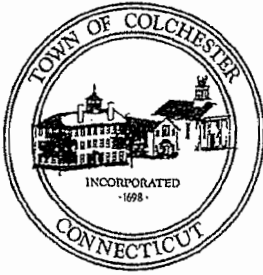
TRIAD is organizing an event on May 28th called "Don't be Scammed". There will be an attorney from the Department of Social Services, representatives from the Fire Department and People's Bank, among others.

Bingo will begin on the first Wednesday night in June.

8. Old Business: No new items were reported.
9. New Business: Clara Erickson stated that she spoke with Cathy Russi who volunteered to create a power point history of the senior center. Cathy also relayed that Cathy would like to thank the center for the items that they sent to the Grange Tag Sale. Also, if they want to review the policies of the senior center, they are in the office.
10. Adjournment: Bernie Erickson motioned to adjourn the meeting at 2:34 p.m. Clara Erickson seconded. All other members present voted in favor. MOTION CARRIED.

Respectfully submitted,

Michelle Komoroski



TOWN OF COLCHESTER

Commission on Aging
95 Norwich Ave., Colchester, Connecticut 06415
(860) 537-3911

Where Tradition Meets Tomorrow
Colchester Commission on Aging
Regular Meeting Minutes

Monday, June 8, 2009 – Colchester Senior Center

RECEIVED
COLCHESTER, CT
2009 JUN 10 PM 4:15
NANCY A. BRAY
TOWN OF COLCHESTER
Nancy A. Bray

Members Present: Chairman Jean Stawicki, Bernie Erickson, Sue Maikshilo, Betty Ann Oppelt

Members Absent: Vice-Chair Clara Erickson, Barbara Warden, Bill Wagner, Theresa Hendricksen

Others Present: Patti White, Rosemary Coyle, Norm Dupuis, Tom Maikshilo, other citizens

- 1. Call Meeting to Order:** The meeting was called to order at 1:05 p.m.
- 2. Minutes:** Sue Maikshilo motioned to approve the regular meeting minutes of 5/11/09. Bernie Erickson seconded. All other members present voted in favor. MOTION CARRIED.
- 3. Friends of the Senior Center:** Jean Stawicki pushed this discussion to item 8, Old Business.
- 4. Financial Report:** Bernie Erickson reported that the senior center collected \$341.00 in May from bus transportation. Of that, \$104.00 was from out of town trips.
- 5. Budget:** Patti White reported that the budget passed as submitted.
- 6. Chairman's Report:** No items were reported.
- 7. Senior Center Director's Report:** Patti reported that the grant for the new bus was officially approved. The Lion's Club donated money for a privacy screen to be used for things like medical appointments.

The TRIAD meeting was held at the firehouse. It was well attended.

Bingo started on Wednesday nights. This is a high stakes bingo which was started because they got a permit for people over 60.

Patti asked Ruth Little to talk about the Colchester Craft Guild. Ruth said the Guild has been around for several years but that they couldn't get people to serve as officers and there was not a lot of interest. Then the money was transferred to the town account and they needed to make requisitions to spend any of their money. Currently, there is a balance with the town that is earmarked for a new senior center. They also used some money to pay for programming. Ruth remarked how lucky they are in Colchester because they've never had to pay to use the senior center or participate in programming. The Guild has also given out scholarships to Bacon Academy students.

Betty Ann Oppelt motioned to approve the Senior Center Director's report. Sue Maikshilo seconded. All other members present voted in favor. MOTION CARRIED.

8. Old Business:

- A. Accreditation:** Jean Stawicki began by reminding members that at the last meeting they were talking about forming a committee to find the best way to move forward on the accreditation/senior center building issue. She suggested using people from the community and Commission on Aging. Rosemary Coyle had said that a committee needs to go through the Board of Selectmen.

Rosemary reiterated that the Charter for the Town of Colchester states that any subcommittee or study group of a Commission needs to be appointed by the Board of Selectmen. She met with Linda Hodge, First Selectman and Patti White and they came up with a Senior Center Study Group Subcommittee suggestion sheet that would be in-line with the Charter for the Town of Colchester. Rosemary passed out the sheet (see attached).

There was discussion regarding who the subcommittee would report to. Patti stated this is a positive development for a formal study group to be formed to report to the Commission on Aging who would in turn present their findings to the Board of Selectmen. Jean said she doesn't agree with the establishment by the Town because 7 people couldn't do everything that she sees will need to be accomplished. She also stated that she feels they will get more community support if they are able to be less formal about the process. Rosemary stated that the Board of Selectmen will not take the work seriously if it does not go through the town. Patti asked if going through the town precludes a larger community input. Rosemary explained that anyone can come to the meetings and there should be a spot on the agenda for citizen comments, however, the committee can invite people to speak about areas of expertise. Jean felt that regular citizens would not be able to have the input she'd like in a formal setting with agendas and minutes. She also feels that it will take several years to go through everything this way.

Bernie Erickson questioned whether these seven people can be unbiased in their work. Rosemary answered that there should be a diverse community where many different ideas are presented so everyone gets educated as they follow along with the process. The committee can ask people to speak then the committee can report back to the Board of Selectmen. The town is not willing to finance this, however, so the committee will need to provide their own secretary and meeting minutes. Jean again stated that she feels it should be less formal so they can bring in who they want without going through the whole town process. She sees this as being community driven vs. Board of Selectmen driven, which Rosemary added is community driven.

There was a question that the list did not include anyone from the business community. Rosemary explained that this list is just a suggestion and can be changed beforehand as needed. They included 2 spots for representatives from the Community at Large, one of which could be a business person. She added that they should keep the positions general so that members can be changed as needed. Donna Skawinski asked what the group will be looking at. There was consensus that the three main things are the reports from the Friends of the Senior Center, Parks and Rec and the Board of Education's Facilities Group. The committee will be very important because it will give everything an official status. They can pick and choose what they want and the chair of the committee can decide how to get more information if needed. The committee will be able to decide what they need and/or what they want to research. They can also advertise for volunteers to come to meetings to participate in the discussions. Then the information gets posted at the Town Clerk's office and on the website through the minutes.

Patti stated that the First Selectman has committed her time as the Director of the Senior Center as well as the Director of Planning to this issue. Rosemary also added that this will force a conversation between the Board of Selectmen and the Board of Finance so they will be part of the process also. It will be important for the chair to include as many ideas as possible and whoever serves on the committee should do so with an open mind.

Jean said she sees two very different ways of setting up the committee. One is a much larger group breaking into smaller groups, each generating reports vs. one committee appointed by the Board of Selectmen. She agreed that the goal seems to be the same, but she feels there are more ideas than just the 3 reports to consider. She reiterated that she feels it's more beneficial to have a ground roots group of committees as opposed to one appointed committee through the town.

Norm Dupuis added that he'd like to see accreditation and the senior center treated as two separate issues. He suggested adding a member from the Parks and Rec Commission and one from the CBA to the list of members. He also suggested calling it a study group and not a subcommittee.

Bernie Erickson made a motion to accept the proposal adding 1 member from the Parks and Rec Commission and 1 member from the CBA. Sue Maikshilo seconded. 3 members voted in favor of the motion, 1 opposed. MOTION CARRIED.

Betty Ann Oppelt expressed that this is what the Board of Selectmen wanted them to do so this is what the Commission on Aging needs to do. Sue expressed frustration that they've spent 3 meetings on the same thing. There was a citizen comment that she felt it is important to be sure members are from all different sectors – democrat, republican, rich, poor, etc. Rosemary said she will get this on the agenda for the next Board of Selectmen meeting. They will then advertise for members and appoint others as needed. She again stated that she thinks members should come with an open mind.

- 9. New Business:** Jean would like to develop a new project for the Commission on Aging to work on. Norm said he thinks accreditation is a great idea. Jean felt it wasn't worth it because of the building. Norm said there are other items to consider. He used fire drills as an example.

Patti asked what the Commission thought about Cathy Russi volunteering to create a Power Point presentation on the history of the senior center. Sue motioned to ask Cathy to go ahead with the project. Bernie seconded. All members present voted in favor. MOTION CARRIED.

- 10. Adjournment:** Bernie Erickson motioned to adjourn the meeting at 2:16 p.m. Sue Maikshilo seconded. All other members present voted in favor. MOTION CARRIED.

Respectfully submitted,



Michelle Komoroski

Colchester Commission on Aging
Senior Center Study Group Sub-Committee

Purpose: To evaluate relevant work done to date and explore options for a recommended course of action to the Commission on Aging for the development of a stand alone senior center or combined community/senior center.

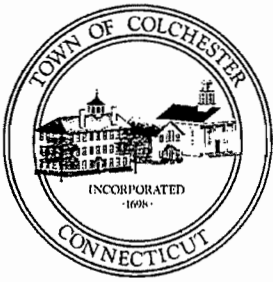
Composition: The committee shall consist of seven (7) members appointed by the Colchester Board of Selectmen. The membership shall be comprised of representatives from various sectors of the community as follows:

Commission on Aging Rep	(1)
At large Senior Center Rep	(1)
AARP Rep	(1)
Community At Large Reps	(2)
Parent Rep	(1)
Youth Services Rep	(1)

A representative from both the Board of Selectmen and Board of Finance shall serve as ex-officio members of the committee.

A **quorum** will be required to meet and conduct business and shall consist of 51 % of the seven members (4).

Terms: The committee shall be appointed for a term of one year



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Gregg Schuster, First Selectman

MEMORANDUM

To: Board of Selectmen

Cc:

From : Gregg Schuster, First Selectman *GS*

Date: 11/4/13

Re: Ethics Commission Ordinance Interpretation

Ethics Commission Chairman Genea Bell has expressed an interest in continuing to serve on the commission. An issue has arisen regarding the term limit imposed by the enabling ordinance. The ordinance states "No individual shall be appointed to more than two consecutive three-year terms, provided that any member may continue in office until a successor has been appointed."

The issue before the board is if we can reappoint her until a successor is identified or if we are precluded from appointing her based on the ordinance.

FY 13/14

Town of Colchester

General Fund

~~Budget Transfer~~/Additional Appropriation

Department:

Reason for Request:

Refund 85% of cancelled road permit fees for Sherman's Brook Road, Phase B of the White Oak Farms Subdivision to White Oak Development, LLC as approved by Board of Selectman at a meeting on October 17, 2013.

Reason for Available Funds:


Additional appropriation from Unassigned Fund Balance - permit fees were received and recorded as Revenue in FY 2011-2012.

From:

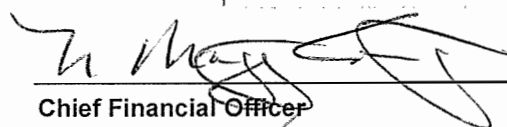
Account Number	Account Name	Amount
18501-36250	Appropriation from Fund Balance	10,436

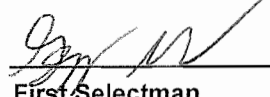
To:

13301-44244	Engineering - Refunds	10,436


 Date Requested Department Director or Supervisor - Signature

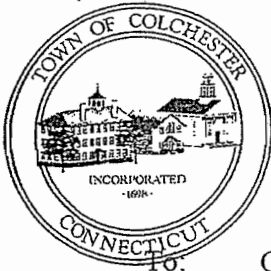
Print Name


 Date Reviewed Chief Financial Officer

Date Approved 
 First Selectman

Date Approved Board of Selectmen Clerk

Date Approved Board of Finance Clerk



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

To: Colchester Board of Selectmen
Copy: James Paggioli – Director of Public Works

October 9, 2013

From: Salvatore A. Tassone P.E. – Town Engineer

Re: White Oak Farm Conservation Subdivision, Lebanon Avenue (Route 16) and
Goldberg Road, Colchester, CT. prepared for Ponsett Ridge LLC.

By: Angus McDonald Gary Sharpe Associates, Inc.

In accordance with the attached letter, dated September 25, 2013, from The Law offices of Patrick W. Boatman, LLC on behalf of White Oak Development, LLC, Mr. Boatman is requesting a refund of the cancelled road permit fee for Sherman's Brook Road.

The road permit for proposed Sherman's Brook Road was issued on June 1, 2012 and at the request of the owner/developer was cancelled by the Board of Selectmen at their August 1, 2013 meeting. The owner/developer requested cancellation of his road permit as a pre-requisite for, and in conjunction with, the requested release of his Subdivision Bond for the Sherman's Brook Road Phase B, White Oak Farm Subdivision.

To date, the following project/permit activity has been completed by town staff:

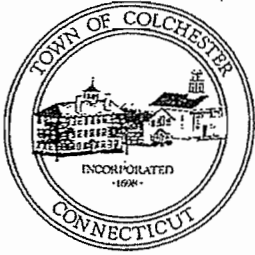
- Plan and cost estimate reviews in preparation of pre-construction meeting
- Documentation of pre-construction meeting and creation of road permit file
- Phone conversations with Conn. DOT representatives and review of proposed encroachment permit extension/STC Certificate reinstatement
- Follow up meetings with DOT Drainage Division and Inspection Division to discuss encroachment permit and construction entrance and drainage issues
- Follow up inspection of construction entrance and proper sightlines
- Inspections during tree removal and discussions with tree contractor regarding protection of sidewalks during construction and request not to drive or park equipment on existing concrete sidewalks
- Follow up inspection after tree removal complete to determine accuracy of clearing limits with approved plan
- Periodic inspections during the course of the open permit to assess condition of erosion and sediment controls/site stability
- Processing of request to cancel road permit and release associated bond for Sherman's Brook Road which included follow up site inspection to determine current status of site stability prior to writing letter of recommendation to Board of Selectmen and attending BOS meeting to answer any questions.

Based on the above effort expended by town staff, if the Board of Selectmen approves a refund, it is recommended that a minimum 15% (\$1,841.53) of the permit fees be retained by the town and a partial refund made in accordance with the following recommended motion.

RECOMMENDED MOTION:

Motion that the Town of Colchester refund 85% (\$10,435.36) of the original \$12,276.89 Road Permit Fee for the Sherman's Brook Road, Phase B of the White Oak Farms Subdivision to White Oak Development LLC. As recommended by the Town Engineer.

13301-44244 Ref



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Gregg Schuster, First Selectman

Board of Selectmen Minutes
Regular Meeting Minutes
Thursday, October 17, 2013
Colchester Town Hall – 7:00 PM
Meeting Room 1

RECEIVED
COLCHESTER, CT
2013 OCT 21 AM 10:53
NANCY A. BRAY
TOWN CLERK
Nancy A. Bray

MEMBERS PRESENT: First Selectman Gregg Schuster, Selectman Stan Soby, Selectman James Ford, Selectman Rosemary Coyle and Selectman Greg Cordova.

MEMBERS ABSENT: None

OTHERS PRESENT: Sal Tassone, Maggie Cosgrove, Jim Paggioli, Rob Esteve, Falk von Plachecki, Kimberly Russo, Robert Kvederas, Don Kennedy, Steve Caron, Daniel Henderson, Beverly Popwich, Erin Rowllins, Gail Therian, and other citizens.

1. Call to Order

First Selectman G. Schuster called the meeting to order at 7:30 p.m.

2. Additions to the Agenda -

J. Ford moved to add "Item 6F Historic District Commission – Robert Kvederas, Member re-appointment for a five-year term to expire 11/1/2018", seconded by R. Coyle. Unanimously approved. MOTION CARRIED.

3. Approve Minutes of the October 3, 2013 Regular Board of Selectmen Meeting

R. Coyle moved to approve the Regular Board of Selectmen Meeting minutes of October 3, 2013 as presented, seconded by S. Soby. Unanimously approved. MOTION CARRIED.

4. Approve Minutes of the October 9, 2013 Special Board of Selectmen Meeting

S. Soby moved to approve the Minutes of the October 9, 2013 Special Board of Selectmen Meeting as presented, seconded by G. Cordova. Unanimously approved. MOTION CARRIED

5. Citizen's Comments- None

6. Boards and Commissions – Interviews and/or Possible Appointments and Resignations

a. Conservation Commission – Member A. Falk von Plachecki reappointment for a three year term to expire 10/31/2016

S. Soby moved to reappoint A. Falk von Plachecki as a member of the Conservation Commission for a three year term to expire 10/31/2016, seconded by R. Coyle. Unanimously approved. MOTION CARRIED.

b. Fair Rent Commission Member re-appointment for a two-year term to expire 10/31/2015. Kimberly Russo to be interviewed.

R. Coyle moved to reappoint Kimberly Russo as a member of the Fair Rent Commission for a two year term to expire 10/31/2015, seconded by S. Soby Unanimously approved. MOTION CARRIED

c. Police Commission – Member re-appointment for a three-year term to expire 11/01/2016. Steven Caron to be interviewed.

S. Soby moved to reappoint Steven Caron as a member of the Police Commission for a three year term to expire 11/01/2016, seconded by G. Cordova. Unanimously approved. MOTION CARRIED

d. Veterans Affairs Service Contact Person

1. Daniel Henderson – Daniel Henderson was interviewed.
2. Beverly Popowich – Beverly Popowich was interviewed.
3. Erin Rowllins- Erin Rowllins was interviewed.

e. Parks and Recreation Commission – Norman Kaplan, Member re-appointment for a four-year term to expire 11/01/2017.

G. Cordova moved to reappoint Norman Kaplan as a member of the Park and Recreation Commission for a four year term to expire 11/01/2017, seconded by R. Coyle. Unanimously approved. MOTION CARRIED

12. **Discussion and Possible Action to Refund Cancelled Road Permit Fees for Sherman's Brook Road**
R. Coyle moved that the Town of Colchester refund 85% (\$10,435.36) of the original \$12,276.89 Road Permit Fee for the Sherman's Brook Road, Phase B of the White Oak Farms Subdivision to White Oak Development, LLC, as recommended by the Town Engineer, seconded by S. Soby Unanimously approved. MOTION CARRIED
13. **Discussion and Possible Action to Authorize the First Selectman to Sign Safe School Grant Award Acceptance Notice**
S. Soby moved to accept the Grant Award for the Right Response Network to fund the Colchester Safe School Collaborative and to authorize the First Selectmen to sign all necessary documents, seconded by G. Cordova. Unanimously approved. MOTION CARRIED
14. **Citizen's Comments**
F. von Plachecki said that he feels the Voluntary Biometric Screening for Employees program would be good for the Town employees based on his experience with the State's Wellness Program.

M. Caplet said he also feels that the Voluntary Biometric Screening for Employees program would be good for the Town employees based on his experience with the State's Wellness Program.
15. **First Selectman's Report**
G. Schuster said that a Tri Board meeting of the Board of Selectmen, Board of Finance and Board of Education was held on Wednesday, October 16, 2013. It was suggested that a survey be available on Election Day to collect data regarding the school/renovation/senior center/community center project. He reported that Tractor Supply Store is now open and he thanked staff and Commission and Board members involved in moving this project forward. He said he attended a Council of Government meeting on Wednesday, October 16, 2013 where a discussion was led by the City of Norwich regarding the release of sex offenders. He has been appointed to the Municipal Tax Authority, a subcommittee of the M.O.R.E Commission. The DARE car was auctioned off for \$25,500. The Town has received the Government Finance Officers Association (G.F.O.A.) Distinguished Budget Presentation Award for the second consecutive year.
16. **Liaison Report**
R. Coyle reported on the Commission of Aging. The Fiscal Plan Project for the exterior of the building is completed. Dalton Nelson will be constructing storage units to act as a room divider as his Eagle Scout project. Transportation numbers and attendance numbers have increased. Meals on Wheels have also increased and there are twelve new members.
17. **Executive Session to Discuss Negotiations with Clerical Union AFSCME Council #4 Local 1303-254**
R. Coyle moved to enter into executive session to discuss negotiations with Clerical Union AFSCME Council #4 Local 1303-254, seconded by G. Cordova Unanimously approved. MOTION CARRIED

Entered into executive session at 8:41p.m.
Exited from executive session at 8:51 p.m.
18. **Adjourn**
G. Cordova moved to adjourn at 8:52 p.m., seconded by R. Coyle. Unanimously approved. MOTION CARRIED.

Respectfully submitted,

Gail Therian, Clerk

Law Offices of Patrick W. Boatman, LLC

111 Founders Plaza, Suite 1000
East Hartford, CT 06108
Telephone (860) 291-9061
Facsimile (860) 291-9073

Patrick W. Boatman
pboatman@boatmanlaw.com
Jenna N. Sternberg
jsternberg@boatmanlaw.com
Benjamin R. Plourd
bplourd@boatmanlaw.com

September 25, 2013

Town of Colchester
Building Department
127 Norwich Avenue, Suite 105
Colchester CT 06415

**Re: White Oak Development, LLC
claim for refund of road permit
cash bond**

Dear Sir:

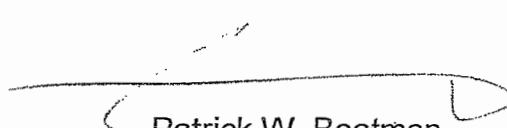
This office represents White Oak Development, LLC of East Hampton, CT, currently the owner and developer of record of the White Oak Farms Conservation District. Previously White Oak Development, LLC made application to the town for a permit enabling it to proceed with phase B of the White Oak Conservation Subdivision, specifically the construction of the northerly portion of Sherman's Brook Road. Owing to the economic circumstances surrounding the project, White Oak Development, LLC applied for the cancellation of its active road permit. This application was granted by the Board of Selectmen at their regularly scheduled meeting on Thursday, August 1, 2013.

As no construction was started on Sherman's Brook Road and as the active road permit has been dully cancelled by the Town of Colchester, White Oak Development, LLC hereby makes demand for the return of the sum of \$12,276.89 charged by the town to defray the cost of inspection and general supervision of the road construction.

Please direct the town's refund check in the aforesaid amount to White Oak Development, LLC in care of this office as soon as possible.

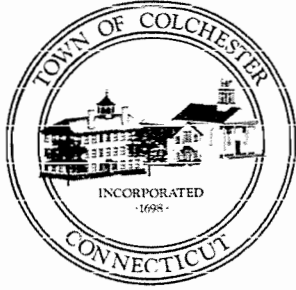
If you have any questions about this request please contact the undersigned.

Very truly yours,



Patrick W. Boatman

PWB/jrt



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

MEMORANDUM

October 28, 2013

To: Gregg Schuster, First Selectman

From: Jay Gigliotti, Wetlands Enforcement Officer

Re: **September 1st, 2013 memo requesting a recommendation for the reallocation of application fees**

On June 10, 2013, an application for a 6-lot Subdivision was submitted to the Colchester Conservation Commission (CCC). Following the standard operation procedure for subdivision applications, copies of the application were distributed to the appropriate town staff for their review of the application.

During the staff review, a significant error was identified which prevented the CCC from reviewing and/or acting on the application. Upon being alerted to the errors in the application, the agent opted to withdraw the subdivision application and indicated that he would correct the error and resubmit the subdivision application. On June 19, 2013 a withdrawal letter was received from the applicant. In the withdrawal letter, the applicant requested the fees from the withdrawn subdivision, be reallocated upon the resubmission of the subdivision application.

On June 24, 2013, the applicant formally requested that the fees from the original withdrawn application be applied to a new application when submitted. On Wednesday, September 11th, 2013 the CCC discussed the proposed reallocation of fees. Upon completion of their discussion, the CCC voted to recommend that the Board of Selectmen waive the amount of \$450, toward the applicant's new application for subdivision on Usher Swamp Road. The waiver fee of \$450 was determined based on the amount of time staff had spent reviewing the application.

Recommended Motion: The Board of Selectmen motion to approve the Reallocation of \$450 in Application Fees form withdrawn Conservation Commission Permit #W2013-2957, to the resubmission of the corrected application.

Attachments:

- Colchester Conservation Commission 9/11/13 Meeting Minutes
- Memo to Conservation Commission from First Selectman, dated 9/1/13
- Applicant's Withdrawal Letter

COLCHESTER CONSERVATION COMMISSION
Regular Meeting Wednesday, September 11, 2013
Town Hall, 127 Norwich Avenue, Room 1
Minutes of Meeting

Amended

MEMBERS PRESENT: Falk von Plachecki, Chairman; Kurt Frantzen, Vice Chairman; Moe Epstein, Darrell York and Sue Bruening and alternate Ericka Fuery; Staff: Wetlands Enforcement Officer: Jay Gigliotti

MEMBERS ABSENT: Alternate: Andrew George, Jim Ford, Board of Selectmen Liaison

A. CALL REGULAR MEETING TO ORDER

Chairman von Plachecki called the Regular Meeting to order at 7:04 p.m.

B. ADDITIONS TO AGENDA – None

Staff requested that the Commission re-order the agenda. Motion made by K. Frantzen move Item A under new applications to pending applications and move items A & B under pending applications to new applications. Seconded by E. Fuery. Motion Carried Unanimously.

C. APPROVAL OF MINUTES – Meeting Minutes of August 11, 2013

Motion by K. Frantzen, seconded by M. Epstein to approve the minutes of the August 11, 2013 Regular Meeting. E. Fuery abstaining
Motion carried

D. PUBLIC COMMENT – None

E. PENDING APPLICATIONS None

F. von Plachecki stepped down as Chairman and left the room. K. Frantzen, Vice Chairman took over as Chairman.

- A. W2013-2959 – Falk von Plachecki applicant, Nancy Wasniewski property owner, 4 & 6 River Rd, Assessor's Map 6-12 Lot #29, 2-Lot Subdivision, No proposed Construction, No Wetlands or URA on Property.**

S. Bruening asked J. Gigliotti to review the application. J. Gigliotti explained the reasoning for the application and also restated that no construction activities were being proposed.

Motion by S. Bruening, seconded by D. York to approve application W2013-2959. **Motion carried unanimously.**

F. von Plachecki returned as Chairman

F. NEW APPLICATIONS-

- A. W2013-2960- 67 Bulkeley Hill Rd, Nicholas Zito-Applicant, Peter Marlow- Property Owner, Assessor's Map 4W-05 Lot 014-000, Renewal of Timber Harvest permit W2008-2902, As-of-Right Activity, multiple wetland & Stream Crossing as well as activity within the upland review area. Existing permit set to expire in October.**

J. Gigliotti presented the application via a power point presentation. He explained to the Commission that this application was for the renewal of an existing permit and the site conditions had not changed. He told the Commission that there were x5 stream and wetland crossings and how they were to be installed and utilized. He also reviewed the E&S sedimentation control plan. Discussion Followed.

Nicholas Zito, of Marlow Timber Products, summarized the harvest and the reasoning for renewal.

Motion by K. Frantzen, seconded by M. Epstein, to approve a 5yr renewal of W208-2902, imposing the same conditions. If not revoked or specifically extended, Timber harvest permit shall be null and void on October 14, 2018.
Motion Carried Unanimously

- B. W2013-2961- 225 Chestnut Hill Rd, Gary Sousa-Applicant, Leonard & Paulette Sousa-Property Owners, Assessor's Map 4E-05 Lot #15-2A, Clearing & Development within the Conservation Easement on Property DRD-11.15.13**

J. Gigliotti presented the application via a power point presentation. He also provided pictures of the driveway turn around and the clearing within the Conservation Easement. He additionally made references to the approved subdivision maps and

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COLCHESTER, CT
2013 OCT -4 PM 4:05
NANCY A. BRAY
TOWN CLERK

next regular meeting. The commission determined that it would be a good idea to schedule a Public Hearing for the October Meeting.

Motion made by K. Frantzen, seconded by S. Bruening to schedule a Public Hearing per the requirements of the Connecticut General Statutes for the Inland Wetland Regulation revisions.

Motion Carried Unanimously

C. Mitigation Areas & Planting Lists at Tractor Supply

J. Gigliotti informed the commission that the mitigation areas at the Tractor Supply Store had been constructed and shall be planted by the end of the week. During the construction of these areas, both Mr. Gigliotti & the wetlands scientist for the Project, Mr. George Logan, was on site during the construction.

C. Town Tree Removal

J. Gigliotti explained that he has been charged with providing the tree warden duties for the Town of Colchester. Mr. Gigliotti was previously the assistance tree warden, however, due to staff changes; Mr. Gigliotti is the only employee in Town with proper qualifications to perform these duties. He explained that the Town has nearly completed their cutting program for the year. Any trees that have been marked, but not yet removed, shall be done so in the next week or so.

D. Mapping

J. Gigliotti explained to the commission that he had made 18 Maps on the GIS software for the Plan of Conservation and Development. The consultant had required the town to provide the mapping for the POCD, which was completed by J. Gigliotti. He further explained that the development of these GIS maps took a significant amount of time to complete.

Chairman von Plachecki stated that he had received an email from the Town administration inviting the Commissions/Boards chairmen and any of his/her commission members to any of the meeting held in development of the POCD. The commission requested J. Gigliotti schedule "Special Meeting" notices as it appears as at any given POCD meeting, the conservation commission shall have a quorum present.

E. Construction Updates

J. Gigliotti informed the commission that the Tractor supply store was nearing completion. He anticipates an opening date around 10/15/13

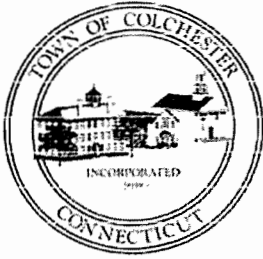
L. ADJOURNMENT

Motion by D. York, seconded by K. Frantzen to adjourn the meeting at 9:05 p.m.

Motion Carried Unanimously

Respectfully Submitted,

Jay Gigliotti, Environmental Planner/ Wetlands Officer



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

September 1, 2013

MEMO

To: Colchester Conservation Commission

From: Gregg Schuster, First Selectman *gs*

RE: Request for reallocation of Fees from previously submitted Conservation Commission Subdivision Application

Mr. Gordon Sime, Agent for the Standish Family's proposed subdivision on Usher Swamp Road, has met with me requesting the reallocation of previously submitted application fees. As you are aware, on June 10, 2013, Mr. Sime submitted a 6-lot Subdivision application to the Conservation Commission. Upon receipt of comments from the Zoning Officer, the applicant withdrew the 6-lot subdivision application and stated the application would be resubmitted within the following months once the major corrections were made. In the withdrawal letter, the applicant requested the fees from the withdrawn 6-lot subdivision, be reallocated to the new application. Any differences in fees shall be paid by applicant.

Jay Gigliotti, Town Staff responsible for the Conservation Commission, received comments from the Town Engineer on 6/14/13 and the Zoning Officer on 6/17/13. Mr. Gigliotti held off on his own review comments after receiving the Zoning Officer's comments, which revealed a large error preventing the Conservation Commission from accurately reviewing and/or acting on the application.

Per the Policy of the Town of Colchester, any reallocation, re-appropriation, wavier or refunds of fees shall be heard, granted or denied, only by the Board of Selectmen. In past situations similar in nature, The Board of Selectmen has requested a recommendation from the Conservation Commission as to whether or not allow the reallocation of the fees from the withdrawn application. Please consider the above detailed request and make a recommendation to be submitted to the Board of Selectmen. Thank you for your ongoing efforts and dedication to the Town of Colchester.

McMINN AND ASSOCIATES LLC

171 WILCOX ROAD
MILFORD, CONNECTICUT

DATE JUNE 19, 2013

THIS IS DIRECTED TO THE COLCHESTER WETLANDS COMMISSION -
McMINN AND ASSOCIATES LLC WOULD LIKE TO WITHDRAW APPLICATION
#W 2013-2957 (STANDISH SUBDIVISION - DUE TO ADDITIONAL INFORMATION
REQUIRED) TILL THE ~~JULY~~ MEETING AND ASK THAT ALL FEES PREVIOUSLY
SUBMITTED TO THE TOWN BE REAPPLIED TO THIS APPLICATION

AUGUST G.P.S.

PAUL STOWELL – McMINN ASSOCIATES LLC



WILLIAM STANDISH

RECEIVED
TOWN OF COLCHESTER
CODE ADMINISTRATION
2013 JUN 24 PM 4: 12

PAUL STOWELL KEUJISIEKEL LAND SURVEYOR

L.S. LIC. No. 70216

171 WILCOX ROAD - MILFORD, CONNECTICUT - 06460

TO
THE COLCHESTER BOARD OF SELECTMEN

McMINN ASSOCIATES RECENTLY PREPARED A SIX LOT SUBDIVISION ON LAND OWNED BY THE WILLIAM STANDISH FAMILY ON USHER SWAMP ROAD, McMINN ASSOCIATES TOOK OVER THIS SUBDIVISION THAT HAD BEEN STARTED BY JESS McMINN PRIOR TO HIS MOVING TO FLORIDA AND SELLING THE BUSINESS TO PAUL STOWELL.

BEFORE HIS MOVING TO FLORIDA HE HAD STARTED TO PREPARE THIS SIX LOT SUBDIVISION OF APPROXIMATELY 57+/- ACRES, HE RECENTLY COMBINED THE ORIGINAL STANDISH FARM HOUSE LOT OF 17.5+/- ACRES WITH THE ORIGINAL 57+/- ACRES TOTALING 74.5+/- ACRES.

WE WERE UNAWARE OF THIS ADDITIONAL LAND CREATING A SEVENTH LOT,

IN JUNE WE WERE ON THE WETLANDS AGENDA WITH A SIX LOT SUBDIVISION NOT SEVEN. ALL FEES WERE PAID TO THE BUILDING DEPARTMENT FOR A SIX LOT SUBDIVISION. WE ARE ASKING THE TOWN TO APPLY FEES PREVIOUSLY PAID TO THE NEW APPLICATION OF SEVEN LOTS.

MEMORANDUM

TO: Gregg Schuster, First Selectman

FROM: Walter Cox, Chief of Fire / EMS Department

RE: Results and Recommendation for Award of "Furnish and Install Overhead Bay Door Openers, Fire Department"

DATE: October 17, 2013

Responses were received for the Furnishing and Installation of Overhead Bay Door Openers, on October 11, 2013, in accordance with the approved Capitol Improvement scope of services.

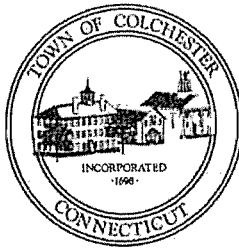
Three respondents met the specifications, and other requirements for the bid. The results were as follows:

1) Advanced Overhead Door LLC	\$8000.00
2) Hartford Overhead Door	\$9,7160.00
3) Douglas Garage Door Co	\$10,462.00

The Fire Department hereby recommends the award to Advanced Overhead Door.

Proposed Motion:

Motion to award a contract for the Furnishing and Installation of Overhead Bay Door Openers located at the Fire Department, Company 1, 52 Old Hartford Rd, to Advanced Overhead Door LLC of Norwich, CT for the bid price of \$8000.00, and to authorize the First Selectman to sign all necessary documents.



**N. Maggie Cosgrove
Chief Financial Officer
Finance Department**

Date: October 29, 2013

To: Board of Selectmen

From: N. Maggie Cosgrove, CFO

Subject: Anthem – Administrative Services Agreement and Stop Loss Policy Agreement

Background

Anthem Blue Cross and Blue Shield is the provider of claims administrative services with respect to the Town and Board of Education group health insurance plans. Anthem is also the provider of a Stop loss policy providing individual and aggregate stop loss insurance coverage. The agreements are for the renewal period of July 1, 2013 to June 30, 2014.

Both agreements have been reviewed by representatives of the Lockton Companies, the Town's employee benefits consultants.

Recommendation

Authorize the First Selectman to sign the Administrative Services Agreement and Stop Loss Policy for the period July 1, 2013 through June 30, 2014 with Anthem Blue Cross and Blue Shield.

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement") is entered into by and between Colchester Town and Board of Education ("Employer") and Anthem Health Plans, Inc. dba Anthem Blue Cross and Blue Shield ("Anthem") and is effective as of July 1, 2013 upon the following terms and conditions:

1. Employer is the sponsor of a self-funded Group Health Plan (as defined below) providing, among other things, health care benefits to certain eligible employees and their qualified dependents.
2. Employer desires to retain Anthem as an independent contractor to administer certain elements of Employer's Group Health Plan.
3. Anthem desires to administer certain elements of Employer's Group Health Plan pursuant to the terms of this Agreement.

In consideration of the promises and the mutual covenants contained in this Agreement, Anthem and Employer (the "Party" or "Parties" as appropriate) agree as follows:

ARTICLE 1 - DEFINITIONS

For purposes of this Agreement and any amendments, attachments or schedules to this Agreement, the following words and terms have the following meanings unless the context or use clearly indicates another meaning or intent:

ADMINISTRATIVE SERVICES FEE. The amount payable to Anthem in consideration of its administrative services and operating expenses as indicated in Section 3 of Schedule A, excluding any cost for stop loss insurance coverage or any other policy of insurance, if applicable. All additional charges not included in the Administrative Services Fee are specified elsewhere in this Agreement.

AGREEMENT PERIOD. The period of time indicated in Section 1 of Schedule A.

ANTHEM AFFILIATE. An entity controlling, under common control with or controlled by Anthem.

BENEFITS BOOKLET. A description of the portion of the health care benefits provided under the Plan that is administered by Anthem.

BILLED CHARGES. The amount that appears on a Member's Claim form (or other written notification acceptable to Anthem that Covered Services have been provided) as the Provider's charge for the services rendered to a Member, without any adjustment or reduction and irrespective of any applicable reimbursement arrangement with the Provider.

BLUE CROSS BLUE SHIELD ASSOCIATION ("BCBSA"). An association of independent Blue Cross and Blue Shield companies.

CLAIM. Written or electronic notice of a request for reimbursement of any health care service or supply on a form acceptable to Anthem.

CLAIMS RUNOUT SERVICES. Processing and payment of Claims that are incurred but unreported and/or unpaid as of the date this Agreement terminates.

COVERED SERVICE. Any health care service or supply rendered to Members for which benefits are eligible for reimbursement pursuant to the terms of the applicable Benefits Booklet.

GROUP HEALTH PLAN OR PLAN. An employee welfare benefit plan established by the Employer, in effect as of the Effective Date, as described in the Plan Documents, as they may be amended from time to time.

INTER-PLAN PROGRAMS. Blue Cross and Blue Shield Association programs, including the BlueCard Program, where Anthem can process certain Claims for Covered Services received by Members, which may include accessing the reimbursement arrangement of a Provider that has contracted with another Blue Cross and/or Blue Shield plan.

INVOICE DUE DATE. The date on the invoice provided to Employer indicating when payment is due.

MEMBER. The individuals, including the Subscriber and his/her dependents, as defined in the Benefits Booklet, who

have satisfied the Plan eligibility requirements of Employer, applied for coverage, and been enrolled for Plan benefits.

NETWORK PROVIDER. A physician, health professional, hospital, pharmacy, or other individual, organization and/or facility that has entered into a contract, either directly or indirectly, with Anthem to provide Covered Services to Members through negotiated reimbursement arrangements.

PAID CLAIM. The amount charged to Employer for Covered Services or services provided during the term of this Agreement. Paid Claims may also include any applicable interest and any surcharges assessed by a state or government agency. In addition, Paid Claims shall be determined as follows:

1. Provider and Vendor Claims. Except as otherwise provided in this Agreement, Paid Claims shall mean the amount Anthem actually pays the Provider or Vendor (without regard to whether Anthem reimburses such Provider or Vendor on a percentage of charges basis, a fixed payment basis, a global fee basis, single case rate, or other reimbursement methodology) or whether such amount is more or less than the Provider's or Vendor's actual Billed Charges for a particular service or supply.
2. Prescription Drug Claims. If applicable to the Plan benefits as indicated in Schedule B, Paid Claims for Prescription Drugs shall mean an amount that Anthem invoices Employer for Prescription Drugs dispensed to Members by pharmacies. Anthem shall retain the difference, if any, between the amount invoiced to Employer and the amount paid to the pharmacy benefit manager ("PBM") for Prescription Drugs dispensed to Members as a portion of Anthem's reasonable compensation for services under this Agreement.
3. Performance Payments. If a Provider or Vendor participates in any Anthem program in which performance incentives, rewards or bonuses ("Performance Payments") are paid based on the achievement of certain goals, outcomes or performance standards adopted by Anthem (collectively, "Performance Targets"), Paid Claims shall also include the amount of such Performance Payments. Such Performance Payments may be charged to Employer on a per Claim, lump sum, per Subscriber, per Member, or a pro-rata apportionment basis. The amount charged to Employer may be greater than the amount actually paid to any one particular Provider or Vendor pursuant to the terms of the contract with such Provider or Vendor. Anthem shall retain the difference, if any, between the amount invoiced to Employer and the amount paid to any Provider or Vendor as a fee Anthem charges to oversee such programs. In no event shall the amount charged to Employer be greater than its proportionate share of total Performance Payments.
4. Fees Paid to Manage Care or Costs. Paid Claims may also include fees paid to Providers or Vendors for managing the care or cost of care for designated Members. In addition, Paid Claims may also include an amount Anthem charges to oversee programs and such program charges, if any, shall be provided in Section 4 of Schedule A.
5. Claims Payment Pursuant to any Judgment, Settlement, Legal or Administrative Proceeding. Paid Claims shall include any Claim amount paid as the result of a settlement, judgment, or legal, regulatory or administrative proceeding brought against the Plan and/or Anthem, or otherwise agreed to by Anthem, with respect to the decisions made by Anthem regarding the coverage of or amounts paid for services under the terms of the Plan. Paid Claims also includes any amount paid as a result of Anthem's billing dispute resolution procedures with a Provider or Vendor. Any Claims paid pursuant to this provision will count towards any stop loss accumulators under a stop loss agreement with Anthem.
6. Claims Payment Pursuant to Inter-Plan Programs and Other BCBSA Programs. Paid Claims shall include any amount paid for Covered Services that are processed through Inter-Plan Programs or for any amounts paid for Covered Services provided through another BCBSA program (e.g. BCBSA Blue Distinction Centers for Transplant). More information about Inter-Plan Programs is found in Article 15 of this Agreement.
7. Claims Payment Pursuant to a Consumer Directed Health Plan Account. If applicable to Plan benefits and as indicated on Schedule B of this Agreement, Paid Claims shall include any amount actually paid by Anthem from a consumer directed health plan account, such as a health reimbursement account or a health incentive account.

PLAN DOCUMENTS. The documents that set forth the terms of the Plan, and which include the Benefits Booklet.

PRESCRIPTION DRUG. Insulin and those drugs and drug compounds that are included in the U.S. Pharmacopoeia and that are required to be dispensed pursuant to a prescription or that are otherwise included on Anthem's formulary (e.g., certain over-the-counter drugs).

PROPRIETARY INFORMATION AND CONFIDENTIAL INFORMATION. Employer's Proprietary Information is information about the systems, procedures, methodologies and practices used by Employer to run its operations and the Plan and other non-public information about Employer. Anthem's Proprietary Information is non-public, trade secret, commercially valuable, or competitively sensitive information, or other material and information relating to the products, business, or activities of Anthem or an Anthem Affiliate, including but not limited to: (1) Information about Anthem's Provider networks, Provider negotiated fees, Provider discounts, and Provider contract terms; (2) information about the systems, procedures, methodologies, and practices used by Anthem and Anthem Affiliates in performing their services such as underwriting, Claims processing, Claims payment, and health care management activities; and (3) combinations of data elements that could enable information of this kind to be derived or calculated. Anthem's Confidential Information is information that Anthem or an Anthem Affiliate is obligated by law or contract to protect, including but not limited to: (1) Social Security numbers; (2) Provider tax identification numbers (TINs); (3) National Provider Identification Numbers (NPIs); (4) Provider names, Provider addresses, and other identifying information about Providers; and (5) drug enforcement administration (DEA) numbers, pharmacy numbers, and other identifying information about pharmacies.

PROVIDER. A duly licensed physician, health professional, hospital, pharmacy or other individual, organization and/or facility that provides health services or supplies within the scope of an applicable license and/or certification and meets any other requirements set forth in the Benefits Booklet.

SUBSCRIBER. An employee or retiree of Employer or other eligible person (other than a dependent) who is enrolled in the Plan.

VENDOR. A person or entity other than a Provider, including an Anthem Affiliate, that provides services or supplies pursuant to a contract with Anthem.

ARTICLE 2 - ADMINISTRATIVE SERVICES PROVIDED BY ANTHEM

- a. Anthem shall process the enrollment of eligible individuals and termination of Members as directed by the Employer subject to the provisions of this Agreement. Anthem shall, with the assistance of Employer, respond to direct routine inquiries made to it by employees and other persons concerning eligibility in the Plan.
- b. Anthem shall perform the following Claims administrative services:
 1. Process Claims with a Claims Incurred Date indicated in Section 1 of Schedule A and provide customer service at a level consistent with industry standards, including investigating and reviewing such Claims to determine what amount, if any, is due and payable according to the terms and conditions of the Benefits Booklet and this Agreement. Anthem shall perform coordination of benefits ("COB") with other payors, including Medicare. In processing Claims, Anthem shall utilize Anthem's medical policies and medical policy exception process, its definition of medical necessity, its precertification and/or preauthorization policies and applicable Claim timely filing limits. Notwithstanding any other provisions of this Agreement, Anthem will use good faith efforts to process Claims (whether submitted on paper or electronically) in accordance with the state prompt payment requirements for the state in which this Agreement is issued. However, if Anthem fails to meet any such state prompt pay requirements in processing Employer's Claims no interest, penalty or other default shall accrue or be payable with respect to such Claims.
 2. Disburse to the applicable individuals or entities (including Providers and Vendors) payments that it determines to be due according to the provisions of the Benefits Booklet.
 3. Provide notice in writing when a Claim for benefits has been denied which notice shall set forth the reasons for the denial and the right to a full and fair review of the denial under the terms of the Benefits Booklet and shall otherwise satisfy applicable regulatory requirements governing the notice of a denied Claim.
- c. Employer delegates to Anthem fiduciary authority to determine claims for benefits under the Plan as well as the authority to determine appeals of any adverse benefit determinations under the Plan. Anthem shall administer complaints, appeals and requests for independent review according to Anthem's complaint and appeals policy, and any applicable law or regulation, unless otherwise provided in the Benefits Booklet. In carrying out this authority, Anthem is delegated full discretion to determine eligibility for benefits under the Plan and to interpret the terms of the Plan. Anthem shall be deemed to have properly exercised such

authority unless a Member proves that Anthem has abused its discretion or that its decision is arbitrary and capricious. Anthem is a fiduciary of the Plan only to the extent necessary to perform its obligations and duties as expressed in this Agreement and only to the extent that its performance of such actions constitutes fiduciary action. Anthem shall not act as the administrator of the Plan nor shall it have any fiduciary responsibility in connection with any other element of the administration of the Plan. Anthem shall charge Employer the fee described in Section 3.C of Schedule A for any independent review conducted pursuant to this provision.

- d. Anthem shall have the authority, in its discretion, to institute from time to time, utilization management, case management, disease management or wellness pilot initiatives in certain designated geographic areas. These pilot initiatives are part of Anthem's ongoing effort to find innovative ways to make available high quality and more affordable healthcare and will apply equally to Members of both insured and self-funded plans. A pilot initiative may affect some, but not all Members under the Plan. These programs will not result in the payment of benefits which are not provided in the applicable Benefits Booklet, unless otherwise agreed to by the Employer. Anthem reserves the right to discontinue a pilot initiative at any time without advance notice to Employer.
- e. Anthem shall perform recovery services as provided in Article 13.
- f. Anthem shall issue identification cards to Subscribers and/or Members, as applicable, and the content and design of the identification cards shall comply with BCBSA regulations.
- g. Anthem shall provide certificates of creditable coverage as required by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") with respect to Members' participation in the Plan. Employer agrees to promptly provide Anthem with any information relating to a Subscriber's employment history as may be necessary for Anthem to provide the certificates of creditable coverage.
- h. Anthem shall provide Members and potential Members access to an online directory of Providers contracted with Anthem ("Provider Directories"). Such Provider Directories shall also be available and distributed in booklet format upon Member request. Additionally, if applicable to Plan benefits, Anthem shall ensure that Members and potential Members have access to the BlueCard directory of Providers via a website sponsored by BCBSA.
- i. Anthem reserves the right to make benefit payments to either Providers or Members at its discretion. Employer agrees that the terms of the Plan will include provisions for supporting such discretion in determining the direction of payment including, but not limited to, a provision prohibiting Members from assigning their rights to receive benefit payments, unless otherwise prohibited by applicable law.
- j. If applicable to the Plan benefits and as indicated in Schedule B of this Agreement, Anthem may provide or arrange for the provision of the following managed care services:
 - 1. Conduct medical necessity review, utilization review, and a referral process, which may include, but is not limited to: (a) preadmission review to evaluate and determine the medical necessity of an admission or procedure and the appropriate level of care, and for an inpatient admission, to authorize an initial length of stay; (b) concurrent review throughout the course of the inpatient admission for authorization of additional days of care as warranted by the patient's medical condition; (c) retrospective review; and (d) authorizing a referral to a non-Network Provider. Anthem shall have the authority to waive a requirement if, in Anthem's discretion, such exception is in the best interest of the Member or the Plan, or is in furtherance of the provision of cost effective services under this Agreement.
 - 2. Perform case management to identify short and long term treatment programs in cases of severe or chronic illness or injury. Anthem may, but is not required to, customize benefits in limited circumstances by approving otherwise non-Covered Services if, in the discretion of Anthem, such exception is in the best interest of the Member and the Plan.
 - 3. Provide access to a specialty network of Providers if the Plan includes a specialty network. Anthem reserves the right to establish specialty networks for certain specialty or referral care.
 - 4. Provide any other managed care services incident to or necessary for the performance of the services set forth in this Article 2.

- k. If applicable to the Plan benefits and as indicated in Schedule B of this Agreement, Anthem shall offer wellness programs and other programs to help Employer effectively manage the cost of care, and Employer shall pay fees for the programs selected by Employer only if such fees are indicated in Section 3(B) of Schedule A. Employer shall abide by all applicable policies and procedures of the programs selected, which may require Employer to provide requested information prior to Anthem initiating the service.
- l. On behalf of Employer, Anthem shall produce and maintain a master copy of the Benefits Booklet and make changes and amendments to the master copy of the Benefits Booklet and incorporate any approved changes or amendments pursuant to Article 18(a) of this Agreement. Employer shall determine, in its sole discretion, whether Anthem has accurately produced the Benefits Booklet and has fully implemented the approved changes or amendments. Until Employer has approved the Benefits Booklet, Anthem will administer the quoted benefits according to Anthem's most similar standard Benefits Booklet language.
- m. Anthem will provide Employer with Plan data and assistance necessary for preparation of the Plan's information returns and forms required by federal or state laws. Anthem shall prepare and mail all IRS Form 1099's and any other similar form that is given to Providers or brokers.
- n. Anthem shall administer unclaimed funds pursuant to unclaimed property or escheat laws and shall make any required payment and file any required reports under such laws.
- o. Unless otherwise agreed to by the Parties and specified in the Benefits Booklet, Anthem's standard policies and procedures, as they may be amended from time-to-time, will be used in the provision of services specified in this Agreement. In the event of any conflict between this Agreement and any of Anthem's policies and procedures, this Agreement will govern.
- p. If applicable to the Plan benefits as indicated in Schedule B, Anthem shall provide conversion rights to Members following termination of this Agreement, and Employer shall pay the fee indicated in Section 3(C) of Schedule A.
- q. Select state laws require Employers to finance health related initiatives through residency-based assessments and/or surcharges added to certain Paid Claims. After Employer completes the applicable forms, Anthem shall make all assessment and/or surcharge payments on behalf of Employer to the appropriate pools administered by the respective states, based primarily upon Anthem's Paid Claims information and Member information provided to Anthem by Employer. Examples of such assessments and surcharges include, but are not limited to, the Massachusetts Health Safety Net Trust Fund, the New York Health Care Reform Act and the Michigan Health Insurance Claims Assessment Act.
- r. Anthem shall provide required notices describing Member's rights under the Women's Health and Cancer Rights Act (WHCRA) upon a Member's enrollment and at least annually thereafter.
- s. Anthem shall have the authority to build and maintain its Provider network. Nothing in this Agreement shall be interpreted to require Anthem to maintain negotiated fees or reimbursement arrangements or other relationships with certain Providers or Vendors. Anthem will be solely responsible for acting as a liaison with Providers including, but not limited to, responding to Provider inquiries, negotiating rates with Providers or auditing Providers.
- t. If a catastrophic event (whether weather-related, caused by a natural disaster, or caused by war, terrorism, or similar event) occurs that affects Members in one or more locations, and such catastrophic event prevents or interferes with Anthem's ability to conduct its normal business with respect to such Members or prevents or interferes with Members' ability to access their benefits, Anthem shall have the right, without first seeking consent from Employer, to take reasonable and necessary steps to process Claims and provide managed care services in a manner that may be inconsistent with the Benefits Booklet in order to minimize the effect such catastrophic event has on Members. As soon as practicable after a catastrophic event, Anthem shall report its actions to Employer. Employer shall reimburse Anthem for amounts paid in good faith under the circumstances and such amounts shall constitute Paid Claims, even if the charges incurred were not for services otherwise covered under the Benefits Booklet.
- u. Anthem shall submit any claim that is required to be filed under any stop loss policy issued by Anthem or an Anthem Affiliate. Anthem shall have no obligation to prepare or file any claim for excess risk or stop loss coverage under a policy not issued by Anthem or an Anthem Affiliate. Anthem shall provide Employer with Claims data pursuant to Article 11 of this Agreement if Employer chooses to file a claim under a stop loss policy issued by an entity other than Anthem or an Anthem Affiliate. Anthem shall assume no liability or

responsibility to Employer for inconsistencies between the determination of Covered Services under the Benefits Booklet and this Agreement and the determination of coverage by an unaffiliated stop loss carrier.

- v. If applicable to Plan benefits as indicated on Schedule B to this Agreement, Anthem shall assist Employer in determining whether its Prescription Drug benefit constitutes "creditable prescription drug coverage" as that term is used under the Medicare Part D laws (specifically, 42 C.F.R. 423.56). Unless otherwise agreed to by the Parties, Employer shall be solely responsible for communicating with Members regarding creditable prescription drug coverage matters.
- w. If a Member is a Massachusetts resident, Anthem shall mail the Member any notices required by the Massachusetts Health Care Reform Act ("HCRA") reflecting coverage during the current and prior Agreement Period. If a Member works in Massachusetts for Employer, but resides in another State, Anthem will only provide such notices if Employer notifies Anthem at least 60 days prior to any notice deadline imposed by HCRA that such Member requires the HCRA notices.
- x. Anthem is the responsible reporting entity ("RRE") for the Plan as that term is defined pursuant to Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007. In order to fulfill its RRE obligation, Anthem requires information from the Employer, including, but not limited to, Member Social Security Numbers. Employer shall cooperate with Anthem and timely respond to any request for information made by Anthem.
- y. Anthem will provide Employer with Plan information and assistance necessary for the preparation of the Plan's Summary of Benefits and Coverage ("SBC") related to the elements of the Plan that Anthem administers. Employer is solely responsible for ensuring that the SBC accurately reflects the benefits Employer will offer and for finalizing and distributing the SBC to Subscribers. Notwithstanding the provisions in Article 18(a), if Employer's open enrollment period is at a time other than 30 days prior to the end of an Agreement Period, Employer agrees to provide Anthem with any changes to the benefits Anthem administers at least 60 days prior to the start of the open enrollment period.

ARTICLE 3 - OBLIGATIONS OF EMPLOYER

- a. Employer shall furnish to Anthem initial eligibility information regarding Members. Employer is responsible for determining eligibility of individuals and advising Anthem in a timely manner, through a method agreed upon by the Parties, as to which employees, dependents, and other individuals are to be enrolled Members. Anthem reserves the right to limit the effective date of retroactive enrollment to a date not earlier than 60 days prior to the date notice is received. Such retroactive enrollments shall be subject to Anthem's receipt of any applicable Administrative Services Fees as indicated in Section 3(A) of Schedule A. Employer shall keep such records and furnish to Anthem such notification and other information as may be required by Anthem for the purpose of enrolling Members, processing terminations, effecting COBRA coverage elections, effecting changes in single or family coverage status, effecting changes due to a Member becoming eligible or ineligible for Medicare, effecting changes due to a leave of absence, or for any other purpose reasonably related to the administration of eligibility under this Agreement. Employer acknowledges that prompt and complete furnishing of the required eligibility information is essential to the timely, accurate, and efficient processing of Claims.

Employer shall notify Anthem monthly of the Subscribers, dependents, or other individuals that will be or have become ineligible for benefits under the Plan. Upon receipt of such notice, Anthem shall terminate coverage effective as of the date specified in the Benefits Booklet. Employer shall give Anthem advance notice, if possible, of any Member's expected termination and/or retirement. Anthem reserves the right to limit retroactive terminations to a maximum of 60 days prior to the date notice is received. Anthem shall credit Employer Administrative Services Fees for such retroactive terminations as indicated in Section 3(A) of Schedule A.

If Anthem has paid Claims for persons no longer eligible for reasons including, but not limited to, Anthem having been provided inaccurate eligibility information, or Anthem having received notice of a retroactive change to enrollment, then Employer shall reimburse Anthem for all unrecovered Paid Claim amounts to the extent that the amounts have not already been paid by Employer.

- b. Employer has the discretionary authority and control over the management of the Plan, and all discretionary authority and responsibility for the administration of the Plan except as delegated to Anthem in Article 2(c) of this Agreement. Employer retains all final authority and responsibility for the Plan and its operation and

Anthem is empowered to act on behalf of Employer in connection with the Plan only as expressly stated in this Agreement or as otherwise agreed to by the Parties in writing.

- c. It is understood and agreed that the provision of any notice, election form, or communication and the collection of any applicable premium or fees required by or associated with Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), or any other applicable law governing continuation of health care coverage, shall be the sole responsibility of Employer and not Anthem, except as otherwise agreed to in a written agreement between the Parties.
- d. Employer is solely responsible for compliance with the Family and Medical Leave Act ("FMLA") and, to the extent applicable to Employers' wellness program(s), for compliance with the Americans with Disabilities Act, the Internal Revenue Code, federal and state nondiscrimination laws, and other federal and state laws and regulations governing wellness programs.
- e. Employer agrees to and shall collect those contributions from Subscribers that are required by Employer for participation in the Plan. If Employer elects Anthem's stop loss coverage, Employer shall abide by Anthem's participation and contribution guidelines.
- f. Unless otherwise agreed to by the Parties in writing, Employer shall prepare and distribute all notices or summaries of changes or material modifications to the Plan. Employer shall ensure that if it creates any documents that refer to benefits offered under the Plan, the documents will accurately reflect the terms of the Benefits Booklet.
- g. To the extent that Medicare, Medicaid, the Veterans Administration or any other federal or state agency or entity asserts a reimbursement right against Employer, the Plan, or Anthem pursuant to that agency's or entity's rights under applicable law with respect to Claims processed by Anthem under this Agreement, the Employer shall be responsible for reimbursing Anthem any such amounts determined to be owed.
- h. Employer shall give notice to Anthem of the expected occurrence of any of the following events (including a description of the event), with such notice to be given at least 30 days prior to the effective date of the event, unless such advance notice is prohibited by law or contract in which case, notice will be provided as soon as practicable:
 - 1. Change of Employer's name; or
 - 2. Any insolvency, receivership or inability of Employer to pay its debts as they become due.
- i. The Employer shall have the sole responsibility, in accordance with state or federal law, to develop procedures for determining whether a medical child support order is a "qualified" medical child support order. The Employer shall provide notice to Anthem once it has made such determination.
- j. The Employer may request Anthem, on an exception basis, to process and pay Claims that were denied by Anthem or take other actions with respect to the Plan that are not specifically set forth in this Agreement or the Benefits Booklet. In such cases, any payments shall not count toward the stop loss accumulators under a stop loss agreement issued by Anthem, unless otherwise agreed to by Anthem. Anthem may charge Employer a processing fee that has been mutually agreed to by the Parties prior to the processing of the Claim. Anthem shall not be responsible for any liability associated with any act or omission undertaken at the direction of, or in accordance with, instructions received from the Employer under this provision.

ARTICLE 4 - CLAIMS PAYMENT METHOD

- a. Employer shall pay or fund Paid Claims according to the Claims payment method described in Section 4 of Schedule A. Employer shall pay or fund such amounts by the Invoice Due Date. In addition, from time to time, the Parties acknowledge that Employer may request a review of the appropriateness of a Claim payment and, during the review period, Employer shall pay or fund such Claim.
- b. The Parties acknowledge that, from time to time, a Claims adjustment may be necessary as a result of coordination of benefits, subrogation, workers' compensation, other third party recoveries, payment errors and the like, and that the adjustment will take the form of a debit (for an additional amount paid by Anthem) or a credit (for an amount refunded to Employer). The Parties agree that such Claims adjustment shall be treated as an adjustment to the Claims payment made in the billing period in which the adjustment occurs,

rather than as a retroactive adjustment to the Claim in the billing period in which it was initially reported as paid. Any Claims credit may be reduced by a fee charged by Vendors as indicated in Article 13 of this Agreement. In addition, a credit shall not be provided to Employer for a recovery related to a Claim that was covered under stop loss coverage provided by Anthem.

ARTICLE 5 - ADMINISTRATIVE SERVICES FEE

During the term of this Agreement, Employer shall pay Anthem the Administrative Services Fee, described in Section 3 of Schedule A. Employer shall pay the Administrative Services Fee and other fees authorized under this Agreement by the applicable Invoice Due Date according to the payment method described in Section 5 of Schedule A.

ARTICLE 6 - RENEWAL SCHEDULES

If Anthem offers to renew this Agreement at the end of an Agreement Period, then Anthem shall provide Employer with the terms and conditions of the proposed renewal in writing within the time period provided in Section 1 of Schedule A. Employer shall notify Anthem in writing of its selection from the renewal options by indicating its selection and signing Anthem's designated renewal form. If Anthem does not receive a signed acceptance of the renewal from Employer prior to the start of the next Agreement Period, Employer's payment of the amounts set forth in the renewal shall constitute Employer's acceptance of the terms. Anthem shall provide a revised Schedule A that will become part of this Agreement without the necessity of securing Employer's signature.

ARTICLE 7 - CLAIMS RUNOUT SERVICES

- a. Claims Runout Services shall be provided for the period of time provided in Section 6 of Schedule A (the "Claims Runout Period"), except such Claims Runout services shall not be provided in the event that termination is due to non-payment pursuant to Article 19(a) of this Agreement. During the Claims Runout Period, the terms of this Agreement shall continue to apply. Anthem shall have no obligation to process or pay any Claims or forward Claims to Employer beyond the Claims Runout Period. Any amounts recovered beyond the Claims Runout Period shall be retained by Anthem as reasonable compensation for services under this Agreement. Anthem shall, however, return any recoveries for which Anthem had received monies, but had not processed the recovery prior to the end of the Claims Runout Period. In addition, Employer shall have no obligation to reimburse Anthem for any amounts paid by Anthem due to adjustments to Claims after the end of the Claims Runout Period.
- b. The Administrative Services Fee for the Claims Runout Period, if applicable, is provided in Section 6 of Schedule A. Paid Claims and the Administrative Services Fee shall be invoiced and paid in the same manner as provided in Sections 4 and 5 of Schedule A, unless otherwise provided or agreed to in writing by the Parties.

ARTICLE 8 - LATE PAYMENT PENALTY

If Employer fails to timely pay or fund any amount due to Anthem under this Agreement, Employer agrees to pay a late payment penalty for each day the payment is late. The late payment penalty shall be calculated at the rate of 12% simple interest per annum (365 days), and shall be included on a subsequent invoice and payable by the Invoice Due Date. If applicable, Employer agrees to reimburse Anthem for any expenses charged to Anthem by a financial institution, Provider or Vendor due to Employer's failure to maintain sufficient funds in a designated bank account. Any acceptance by Anthem of late payments shall not be deemed a waiver of its rights to terminate this Agreement for any future failure of Employer to make timely payments.

ARTICLE 9 - HIPAA

- a. Anthem's duties and responsibilities in connection with the requirements imposed by the Health Insurance Portability and Accountability Act ("HIPAA") and the privacy and security regulations promulgated thereunder will be set forth in a separate business associate agreement between the Parties.
- b. In the event the Plan submits Claims or eligibility inquiries or any other HIPAA covered transaction as

defined in 45 CFR Part 160 and 162 to Anthem through electronic means, the Plan and Anthem shall comply with all applicable requirements of HIPAA and the Plan and Anthem shall require any of their respective agents or subcontractors to comply with all applicable requirements of HIPAA.

ARTICLE 10 - PROPRIETARY AND CONFIDENTIAL INFORMATION

- a. Each Party retains ownership of its Proprietary Information and Confidential Information (collectively "Information") and neither conveys ownership rights in its Information nor acquires ownership rights in the other Party's Information by entering into this Agreement or performing its obligations hereunder. Nothing in this Agreement shall impair or limit a Party's right to use and disclose its Information for its own lawful business purposes.
- b. Each Party shall maintain the other Party's Information in strict confidence, and shall institute commercially reasonable safeguards to protect it.
- c. Employer shall use and disclose Anthem's Information solely for the purpose of administering the Plan. Employer shall not, without Anthem's advance written consent, (1) use or disclose Anthem's Information, or reports or summaries thereof, for any purpose, other than administering the Plan; (2) combine Anthem's Information with other data to create or add to an aggregate database that will or could be made available to any third party; (3) combine Anthem's Information provided for a particular purpose with any other data received from Anthem's Information provided for another purpose; or, (4) sell or disclose Anthem's Information to any other person or entity except as expressly permitted by this Article 10.
- d. Employer may disclose the minimum amount of Anthem's Information necessary to Employer's stop loss carriers, consultants, auditors and Plan Contractors, provided that: (1) each such third party needs to know such Information in order to provide services to Employer; (2) the restrictions contained in Article 10(c) shall apply to each such third party as well as to Employer; and (3) prior to such disclosure, each such third party shall enter into a confidentiality agreement (or an appropriate amendment to an existing one, as applicable) with Anthem with respect to the planned disclosure.
- e. Upon termination of this Agreement, each Party shall return or destroy the other Party's Information or retain the Information in accordance with its reasonable record retention policies and procedures; provided; however that each Party shall continue to comply with the provisions of this Article 10 for as long as it retains the other Party's Information.
- f. This Agreement shall not be construed to restrict the use or disclosure of information that: (1) is public knowledge other than as a result of a breach of this Agreement; (2) is independently developed by a Party not in violation of this Agreement; (3) is made available to a Party by any person other than the other Party, provided the source of such information is not subject to any confidentiality obligations with respect to it; or, (4) is required to be disclosed pursuant to law, order, regulation or judicial or administrative process, but only to the extent of such required disclosures and after reasonable notice to the other Party.

ARTICLE 11 - DATA REPORTS

- a. Upon Employer's request and only as permitted by the business associate agreement entered into between the Parties, Anthem will provide Anthem's standard account reporting package. Prior to Anthem providing data or reports to Employer, the Parties must mutually agree to the types, format, content and purpose of the reports requested. If Employer requests from Anthem information that is not part of Anthem's standard account reporting package, and such request is approved by Anthem, Employer agrees to pay a mutually agreed upon charge to Anthem for such additional reports.
- b. If Employer requests Anthem to provide a data extract or report to any third party engaged by Employer (a "Plan Contractor") for use on Employer's behalf and Anthem agrees to do so: (i) to the extent such extract or report includes protected health information ("PHI") as defined in HIPAA, Anthem's disclosure of the PHI and Plan Contractor's subsequent obligations with respect to the protection, use, and disclosure of the PHI will be governed by Employer's applicable business associate agreements with Anthem and the Plan Contractor; and (ii) to the extent such data or report includes Anthem's Proprietary Information and/or Anthem's Confidential Information, Employer acknowledges and agrees that Plan Contractor shall be subject to the restrictions set forth in Article 10 of this Agreement and shall enter into a confidentiality agreement with Anthem (or amend an existing one, as applicable) prior to Anthem's release of the extract

or report.

- c. Employer agrees not to contact, or to engage or permit a Plan Contractor to contact on Employer's behalf, any Provider concerning the information in any reports or data extracts provided by Anthem unless the contact is coordinated by Anthem.
- d. In addition to their unlimited rights to use Anthem's Proprietary Information and Confidential Information, Anthem and Anthem Affiliates shall also have the right to use and disclose other Claim-related data collected in the performance of services under this Agreement or any other agreement between the Parties, so long as: (1) the data is de-identified in a manner consistent with the requirements of HIPAA; or (2) the data is used or disclosed for research, health oversight activities, or other purposes permitted by law; or (3) a Member has consented to the release of his or her individually identifiable data. The data used or disclosed shall be used for a variety of lawful purposes including, but not limited to, research, monitoring, benchmarking and analysis of industry and health care trends. Anthem may receive remuneration for the data only if permitted by HIPAA.

ARTICLE 12 - CLAIMS AUDIT

- a. At Employer's expense, Employer shall have the right to audit Claims on Anthem's premises, during regular business hours and in accordance with Anthem's audit policy, which may be revised from time to time. A copy of the audit policy shall be made available to Employer upon request.
- b. If Employer elects to utilize a third-party auditor to conduct an audit pursuant to this Agreement and Anthem's audit policy, such auditor must be mutually acceptable to Employer and Anthem. Anthem will only approve auditors that are independent and objective and will not approve auditors paid on a contingency fee or other similar basis. Anthem reserves the right to charge a fee to Employer for expenditure of time by Anthem's employees in completing any audit. An auditor or consultant must execute a confidentiality and indemnification agreement with Anthem pertaining to Anthem's Proprietary and Confidential Information prior to conducting an audit.
- c. Employer may conduct an audit once each calendar year and the audit may only relate to Claims processed during the current year or immediately preceding calendar year (the "Audit Period") and neither Employer nor anyone acting on Employer's or the Plan's behalf, shall have a right to audit Claims processed prior to the Audit Period. The scope of the audit shall be agreed to in writing by the Parties prior to the commencement of the audit.
- d. Employer shall provide to Anthem copies of all drafts, interim and/or final audit reports at such time as they are made available by the auditor or consultants to Employer. Any errors identified and/or amounts identified as owed to Employer as the result of the audit shall be subject to Anthem's review and approval prior to initiating any recoveries of Paid Claims pursuant to Article 13 of this Agreement. Anthem reserves the right to terminate any audit being performed by or for Employer if Anthem determines that the confidentiality of its information is not properly being maintained or if Anthem determines that Employer or auditor is not following Anthem audit policy.
- e. An audit performed pursuant to this Agreement shall be the final audit for the Audit Period and for any prior Audit Period unless otherwise agreed to in writing by the Parties; however, Claims may be re-audited if Employer is required to conduct the audit by a government agency with which it has a contractual arrangement.

ARTICLE 13 - RECOVERY SERVICES

- a. Pursuant to the provisions of this Article 13, Anthem shall pursue recoveries related to Paid Claims processed under this Agreement, including during any Claims Runout Period. Anthem shall exercise discretion to determine which recoveries it will pursue and, in no event will Anthem pursue a recovery if the cost of the collection is likely to exceed the recovery amount or if the recovery is prohibited by law or an agreement with a Provider or Vendor. Anthem will not be liable for any amounts it does not successfully recover. If Anthem determines that there is a potential recovery opportunity, Employer grants Anthem the authority and discretion to do the following: (1) determine and take steps reasonably necessary and cost-effective to effect recovery; (2) select and retain outside counsel or other Vendors as appropriate; (3) reduce any recovery obtained on behalf of the Plan by its proportionate share of the outside counsel fees

and costs incurred during litigation or settlement activities to obtain such recovery; and (4) negotiate and effect any settlement of the Employer's and Plan's rights by, among other things, executing a release waiving the Employer's and Plan's rights to take any action inconsistent with the settlement.

- b. During the term of this Agreement and any applicable Claims Runout period, Anthem may pursue payments to Members by any other person, insurance company or other entity on account of any action, claim, request, demand, settlement, judgment, liability or expense that is related to a Claim for Covered Services ("Subrogation Services"). Anthem may charge Employer a fixed percentage fee up to 25% of gross subrogation recovery, or, if outside counsel is retained, 15% of net recovery after a deduction for outside counsel fees for Subrogation Services ("Subrogation Fee"). Any subrogation recoveries shall be net of the Subrogation Fee and shall be treated as an adjustment to the Claims payment in the billing period in which the adjustment occurs as described in Article 4 of this Agreement. Subrogation Fees will not be assessed on subrogation recoveries until they are received by Anthem and credited to Employer.
- c. Notwithstanding any other provision of this Article 13, Anthem will periodically perform audits of Provider and Vendor contracts and other Claims audits to determine if Claims were accurately paid. Anthem shall have authority to enter into a settlement or compromise regarding these audits, including, but not limited to, the right to reduce future reimbursement to Provider or Vendor in lieu of a lump sum settlement. If Anthem conducts an audit and makes a recovery as a result of such audit of Claims accuracy, then Anthem shall provide Employer a credit, after a reduction of third party vendor fees or costs, if any. Anthem shall credit Employer a proportionate share of the net recovery equal to the ratio of (1) total Members' Paid Claims to such Provider or Vendor for the audit period, to (2) total payments made to such Provider or Vendor for all of Anthem's business during the audit period. Notwithstanding the above, Anthem shall retain any recoveries made from a Provider or Vendor resulting from any audits if the cost to administer the refund is likely to exceed the total recovery from the Provider or Vendor.
- d. Anthem shall credit Employer net recovery amounts after deduction of fees and costs as set forth in this Article 13 not later than 150 days following the receipt of such recovery amounts. If Anthem does not credit Employer within 150 days of its receipt of recovery amounts, Anthem shall pay Employer interest calculated at the Federal Reserve Funds Rate in effect at the time of the payment. Anthem may have contracts with Network Providers or Vendors or there may be judgments, orders, settlements, applicable laws or regulations that limit Anthem's right to make recoveries under certain circumstances. Employer agrees that Anthem shall not be responsible for any such amounts that it is unable to recover from such Providers or Vendors. Notwithstanding the provisions of this Article 13, Anthem may, but is not required to, readjudicate Claims or adjust Members' cost share payments related to the recoveries made from a Provider or a Vendor. In no event, however, will Anthem be liable to credit Employer for any recovery after the termination date of this Agreement and any Claims Runout Period, and the Employer acknowledges and agrees that such sums shall be retained by Anthem as reasonable compensation for recovery services provided by Anthem.

ARTICLE 14 - PHARMACY BENEFITS AND SERVICES

- a. If applicable to Plan benefits and as indicated in Schedule B of this Agreement, Anthem, through PBM, shall provide the following Prescription Drug management services:
 1. Anthem shall offer Employer access to a network of pharmacies that have entered into contractual arrangements with PBM under which such pharmacies agree to provide pharmacy services to Members and accept negotiated fees for such services ("Network Pharmacies"). Anthem shall determine, in its sole discretion, which pharmacies shall be Network Pharmacies, and the composition of Network Pharmacies may change from time to time.
 2. Anthem will furnish and maintain a drug formulary for use with the Plan, and Anthem shall periodically review and update its formulary. The Employer shall adopt such formulary as part of the design of the Plan. Unless mutually agreed to in writing by the Parties, upon termination of the Agreement, the Employer shall cease adoption and use of Anthem's formulary as part of its Plan. The drug formulary will be made available to Members on Anthem's web site and upon request may be provided to Employer in a mutually acceptable format for Employer's distribution to Members.
 3. Anthem shall offer Employer a mail order pharmacy program, through which Members may receive mail order prescription services. Additional fees for express mail, shipping or handling

may be charged to Members. Anthem shall also offer Employer a specialty pharmacy program, through which Members may receive specialty pharmacy prescription services. Anthem shall provide all necessary information and forms to Members to obtain these services.

4. Anthem shall arrange for the processing of Prescription Drug Claims in accordance with the Benefits Booklet.
- b. PBM has negotiated programs with pharmaceutical manufacturers under which rebates for certain Prescription Drugs dispensed to Members are made directly to PBM ("Drug Rebate Programs"). Such Drug Rebate Programs are not based on the drug utilization of any one Employer Plan, but rather are based on the drug utilization of all individuals enrolled in PBM managed programs. In many cases the rebates are conditioned on certain Prescription Drugs being included on the formulary that Anthem requires Employer to adopt as part of the Plan. PBM will pay Anthem a portion of the rebates it receives (such portion being referred to in this Agreement as "Drug Rebates"). Anthem shall pay Employer an amount attributable to its actual or estimated receipt of the Drug Rebates as described in Section 3(A) of Schedule A.
- c. Anthem may receive and retain administrative fees from PBM or directly from pharmaceutical manufacturers. In addition, Anthem may receive and retain service fees from pharmaceutical manufacturers for providing services (e.g., Provider and Member education programs that promote clinically appropriate and safe dispensing and use of Prescription Drugs). For purposes of this Agreement, administrative fees and service fees received by Anthem or PBM shall not be considered Drug Rebates.
- d. If Employer terminates the pharmacy benefits portion of its Plan with Anthem at any time, then Anthem shall have the right to amend the Administrative Services Fee indicated in Section 3(A) of Schedule A.

**ARTICLE 15 - INTER-PLAN ARRANGEMENTS
(THE LANGUAGE IN THIS ARTICLE IS REQUIRED BY BCBSA.)**

- a. Out of Area Services. Anthem has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Programs." Claims for certain services may be processed through one of these Inter-Plan Programs and presented to Anthem for payment in accordance with the rules of the Inter-Plan Programs policies then in effect. The Inter-Plan Programs available to Members under this Agreement are described generally below. Typically, Members' Claims are processed through an Inter-Plan Program when Members obtain care from health care Providers that have a contractual agreement (i.e., are "Network Providers") with a local Blue Cross and/or Blue Shield Licensee ("Host Blue"). In some instances, Members may obtain care from non-Network Providers. Anthem's payment practices in both instances are described below.

In the case of an HMO or EPO plan, Anthem covers only limited health care services received outside of the service area. For the explanations below, references to Covered Services refer to emergency care and urgent care obtained outside of the geographic area Anthem and/or the designated Anthem Affiliate serve. Any other service of the HMO or EPO plan will not be covered when processed through any Inter-Plan Program arrangement.

- b. BlueCard® Program. Under the BlueCard® Program, when Members access Covered Services within the geographic area served by a Host Blue, Anthem will remain responsible to Employer for fulfilling Anthem's contractual obligations. However, in accordance with applicable Inter-Plan Programs policies then in effect, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its Network Providers. The financial terms of the BlueCard Program are described generally below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, Anthem's action will be consistent with the spirit of this description.
 1. Liability Calculation Method Per Claim. The calculation of the Member liability on Claims for Covered Services processed through the BlueCard Program will be based on the lower of the Network Provider's Billed Charges or the negotiated price made available to Anthem by the Host Blue.

The calculation of Employer liability on Claims for Covered Services processed through the BlueCard Program will be based on the negotiated price made available to Anthem by the Host Blue. Sometimes, this negotiated price may be greater than Billed Charges if the Host Blue has

negotiated with its Network Provider(s) an inclusive allowance (e.g., per case or per day amount) for specific health care services. Host Blues may use various methods to determine a negotiated price, depending on the terms of each Host Blue's health care Provider contracts. The negotiated price made available to Anthem by the Host Blue may represent a payment negotiated by a Host Blue with a health care Provider that is one of the following:

- i. an actual price. An actual price is a negotiated payment without any other increases or decreases, or
- ii. an estimated price. An estimated price is a negotiated payment reduced or increased by a percentage to take into account certain payments negotiated with the Provider and other Claim- and non-Claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, Provider refunds not applied on a Claim-specific basis, retrospective settlements, and performance-related bonuses or incentives, or
- iii. an average price. An average price is a percentage of Billed Charges representing the aggregate payments negotiated by the Host Blue with all of its health care Providers or a similar classification of its Providers and other Claim- and non-Claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

Host Blues using either an estimated price or an average price may, in accordance with Inter-Plan Programs policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices (i.e., prospective adjustments may mean that a current price reflects additional amounts or credits for Claims already paid to Providers or anticipated to be paid to or received from Providers). However, the amount paid by the Member and Employer is a final price; no future price adjustment will result in increases or decreases to the pricing of past Claims.

The BlueCard Program requires that the price submitted by a Host Blue to Anthem is a final price irrespective of any future adjustments based on the use of estimated or average pricing. If a Host Blue uses either an estimated price or an average price on a Claim, it may also hold some portion of the amount that Employer pays in a variance account, pending settlement with its Network Providers. Because all amounts paid are final, neither variance account funds held to be paid, nor the funds expected to be received, are due to or from Employer. Such payable or receivable would be eventually exhausted by health care Provider settlements and/or through prospective adjustment to the negotiated prices. Some Host Blues may retain interest earned, if any, on funds held in variance accounts.

A small number of states require Host Blues either (i) to use a basis for determining Member liability for Covered Services that does not reflect the entire savings realized, or expected to be realized, on a particular Claim, or (ii) to add a surcharge. Should the state in which health care services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, Anthem would then calculate Member liability and Employer liability in accordance with applicable law.

2. Return of Overpayments. Under the BlueCard Program, recoveries from a Host Blue or its Network Providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, health care Provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. The fees of such a third party may be netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable Inter-Plan Programs policies, which generally require correction on a Claim-by-Claim or prospective basis.
- c. Negotiated National Account Arrangements. As an alternative to the BlueCard Program, Member Claims for Covered Services may be processed through a negotiated National Account arrangement with a Host Blue. For purposes of this Article, a "National Account" is an Employer that has membership in more than one state.

If Anthem and Employer have agreed that (a) Host Blue(s) shall make available a custom health care Provider network(s) in connection with this Agreement, then the terms and conditions set forth in Anthem's negotiated National Account arrangement(s) with such Host Blue(s) shall apply. In negotiating such arrangement(s), Anthem is not acting on behalf of or as an agent for Employer, the Plan or Members.

Employer agrees that Anthem will not have any responsibility in connection with the processing and payment of Claims when Members access such network(s), except as may be set forth in the relevant participation agreement.

Member Liability Calculation. Member liability calculation will be based on the lower of either Billed Charges or negotiated price made available to Anthem by the Host Blue that allows Members access to negotiated participation agreement networks of specified Network Providers outside of Anthem's service area.

d. **Non-Network Providers Outside Anthem's Service Area.**

1. **Member Liability Calculation.** When Covered Services are provided outside of Anthem's service area by non-Network Providers, the amount a Member pays for such services will generally be based on either the Host Blue's non-Network Provider local payment or the pricing arrangements required by applicable state law. In these situations, the Member may be responsible for the difference between the amount that the Non-Network Provider bills and the payment Anthem will make for the Covered Services as set forth in this paragraph.

2. **Exceptions.** In some exception cases, Anthem may pay Claims from non-Network Providers outside of Anthem's service area based on the Provider's Billed Charges, such as in situations where a Member did not have reasonable access to a Network Provider, as determined by Anthem in Anthem's sole and absolute discretion or by applicable state law. In other exception cases, Anthem may pay such a Claim based on the payment it would make if Anthem were paying a non-Network Provider inside of Anthem's service area, as described elsewhere in this Agreement, where the Host Blue's corresponding payment would be more than Anthem's in-service area non-Network Provider payment, or in its sole and absolute discretion, Anthem may negotiate a payment with such a Provider on an exception basis. In any of these exception situations, the Member may be responsible for the difference between the amount that the non-Network Provider bills and the payment Anthem will make for the Covered Services as set forth in this paragraph.

e. **Inter-Plan Program Fees and Compensation.** Employer understands and agrees to reimburse Anthem for certain fees and compensation which it is obligated under BlueCard or any other Inter-Plan Program, to pay to the Host Blues, to the BCBSA, and/or to BlueCard or Inter-Plan Program vendors, as described below. Fees and compensation under BlueCard and other Inter-Plan Programs may be revised in accordance with the specific Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by any groups. Such revisions typically are made annually as a result of Program policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with the Agreement Period. With respect to Negotiated National Account Arrangements, the participation with the Host Blue may provide that Anthem must pay an administrative and/or network access fee to the Host Blue. For this type of negotiated participation arrangement, any such administrative and/or network access fee will not be greater than the comparable fees that would be charged under the BlueCard Program. Anthem will charge these fees as described in Section 7 of Schedule A.

ARTICLE 16 - CLAIMS LITIGATION

- a. Anthem shall defend against any legal action or proceeding brought against Anthem to recover a claim for benefits under the Plan as administered by Anthem. If a demand for benefits under the Plan is asserted, or litigation, investigation, or other proceedings are commenced against Anthem by a Member, or by any other party on behalf of a Member, in connection with the Plan, Anthem shall provide notice to Employer as soon as practicable. Anthem will select and retain counsel. Except as otherwise provided in Article 16(b), Employer will assume liability for payment of attorneys' fees and costs in connection with the litigation, proceeding, or investigation. If Employer or Plan are also named in the legal action or proceeding, Employer reserves the right to retain separate counsel for itself, in its sole discretion and at its own expense, and separate counsel for the Plan. If during such litigation, investigation or proceedings Employer and Anthem are both represented by the same counsel selected by Anthem and a conflict of interest arises, the selected counsel shall continue to represent Anthem's interests. Employer shall waive any conflict for such representation and retain its own counsel, or separate counsel for the Plan, at its own expense. Each Party will provide the other with reasonable cooperation in the defense of any such matter. Anthem is authorized to settle or compromise any claim to recover benefits under the Plan arising out of a course of

legal action with the approval of Employer, which approval shall not be unreasonably withheld.

- b. Notwithstanding the above in this Article 16, if Anthem fails to perform its responsibility to review and determine Claims for benefits under the Plan in a manner that is consistent with the standard of care in Article 17 of this Agreement, Anthem will assume liability for payment of its legal fees and costs. However, Anthem is not an insurer of benefits under the Plan nor does it underwrite the risk or otherwise assume any risk for the payment of benefits under the Plan. Under all circumstances, Employer shall be liable to pay Plan benefits awarded or paid by settlement, judgment, or otherwise.
- c. In the event of any legal action or proceeding against the Employer or Plan pertaining to Covered Services described in the Benefits Booklet, Anthem shall make available to Employer, the Plan, and their respective counsel, such evidence that is not privileged or otherwise confidential and is relevant to such action or proceeding.

ARTICLE 17 - INDEMNIFICATION

Except for legal actions or proceedings seeking benefits under the Plan, which are governed by Article 16 of this Agreement, Anthem and Employer shall each indemnify, defend and hold harmless the other Party, and its directors, officers, employees, agents and affiliates, from and against any and all losses, claims, damages, liabilities, costs and expenses (including without limitation, reasonable attorneys' fees and costs) resulting from: (1) the indemnifying Party's or its subcontractor's gross negligence or willful misconduct in the performance of the obligations under this Agreement, and/or (2) the indemnifying Party's failure to provide information required under this Agreement or otherwise required by law that results in a sanction or penalty being assessed against the other Party, and/or (3) the indemnifying Party's or its subcontractor's breach of fiduciary duties. The obligation to provide indemnification under this Agreement shall be contingent upon the Party seeking indemnification: (i) providing the indemnifying Party with prompt written notice of any claim for which indemnification is sought, (ii) allowing the indemnifying Party to control the defense and settlement of such claim; provided, however, that the indemnifying Party agrees not to enter into any settlement or compromise of any claim or action in a manner that admits fault or imposes any restrictions or obligations on an indemnified Party without that indemnified Party's prior written consent, which will not be unreasonably withheld; and, (iii) cooperating fully with the indemnifying Party in connection with such defense and settlement.

ARTICLE 18 - CHANGES IN BENEFITS BOOKLET AND AGREEMENT

- a. Either Party reserves the right to propose changes to the provisions described in the Benefits Booklet by giving written notice to the other Party not less than 90 days prior to the start of an Agreement Period and such changes will be made to the Benefits Booklet as mutually agreed to in writing by the Parties. Either Party may also propose changes to the Benefits Booklet at a time other than the start of an Agreement Period and such changes will be made to the Benefits Booklet if mutually agreed to in writing by the Parties. Anthem's incorporation of the requested changes into the Benefits Booklet shall constitute Anthem's acceptance of the Employer's requested changes. If Anthem initiates the proposed changes and does not receive written notice from Employer prior to the effective date of the proposed changes that such changes are unacceptable, the changes shall be deemed acceptable by Employer and Anthem shall incorporate such changes into the Benefits Booklet.
- b. If changes to the provisions of the Benefits Booklet are mandated as a result of a change to any applicable state or federal law, Anthem shall have the right to make such changes to the Benefits Booklet to comply with the law and shall provide written notice to Employer at least 30 days prior to the effective date of the change, unless the effective date specified in the law is earlier.
- c. Anthem also reserves the right to change the Administrative Services Fee at a time other than the start of an Agreement Period upon the occurrence of one or more of the following events: (1) a change to the Plan benefits initiated by Employer that results in a substantial change in the services to be provided by Anthem; (2) a change in ownership as described in Article 3(h) of this Agreement; (3) a change in the total number of Members resulting in either an increase or decrease of 10% or more of the number of Members enrolled for coverage on the date the Administrative Services Fee was last modified; (4) a change in Employer contribution as described in Article 3(e) of this Agreement; (5) a change in nature of Employer's business resulting in a change in its designated Standard Industrial Classification ("SIC") code; or (6) a change in applicable law that results in an increase in the cost or amount of administrative services from those currently being provided by Anthem under this Agreement. Anthem shall provide notice to Employer of the

change in the Administrative Services Fee at least 30 days prior to the effective date of such change. If such change is unacceptable to Employer, either Party shall have the right to terminate this Agreement by giving written notice of termination to the other Party before the effective date of the change. If Employer accepts the proposed rates, Anthem shall provide a revised Schedule A that will then become part of this Agreement without the necessity of securing Employer's signature on the Schedule.

- d. In the event any action of any department, branch or bureau of the federal, state or local government is initiated or taken ("Action") against a Party to this Agreement and such Action materially and adversely affects that Party's performance of the obligations under this Agreement, the affected Party shall notify the other Party of the nature of the Action and provide copies of pertinent documents supporting the reason(s) for the Action. If a modification to the Agreement is needed as a result of the Action, the Parties shall meet within 30 days of the notice by the affected Party to the other Party and shall, in good faith, attempt to negotiate a modification to this Agreement that minimizes or eliminates the impact of the Action. If the Parties are unable to minimize or eliminate the impact of the Action, then either Party may terminate this Agreement by giving at least 90 days notice of termination. This Agreement may be terminated sooner if agreed to by the Parties or required by the government entity initiating or taking the Action.
- e. No modification or change in any provision of this Agreement, including but not limited to, changes at renewal, shall be effective unless and until approved in writing by an authorized representative of Anthem and evidenced by an amendment or new Schedule attached to this Agreement.

ARTICLE 19 - TERMINATION AND/OR SUSPENSION OF PERFORMANCE

- a. Notwithstanding any other provision of this Article, this Agreement automatically terminates, without further notice or action, if Employer fails to pay or fund any amount due under this Agreement within 7 days of the date of Anthem's notice to the Employer of a delinquent amount owed. Such termination shall be effective as of the last period for which full payment was made. In addition, this Agreement automatically terminates, without further notice or action, at the end of each Agreement Period unless Anthem offers to renew this Agreement and Employer accepts such offer of renewal pursuant to Article 6 of this Agreement. Upon termination of this Agreement, Employer shall remain liable for all payments due to Anthem under the terms of this Agreement. Notwithstanding the above, Anthem has the right to suspend performance of its obligations under this Agreement if full payment is not made by the Invoice Due Date. Anthem shall have no obligation to pay any Claims under the Agreement until all required payments have been paid in full.
- b. If either Party fails to comply with any material duties and obligations under this Agreement other than payment of amounts due under this Agreement, the other Party shall have the right to: (1) terminate this Agreement by giving the non-compliant Party at least 60 days prior written notice of termination; or (2) upon written notice to the other Party, suspend performance of its obligations under this Agreement. Employer acknowledges and agrees that in the event it is the non-compliant Party, Anthem shall have no liability to any Member. Either Party, at its option, may allow the non-compliant Party to cure a breach of this Agreement and, upon acceptance in writing by that Party that a breach is cured, this Agreement may be reinstated retroactive to the date of the breach or suspension of performance. Notwithstanding any other provision of this Agreement, a Party may seek injunctive or other equitable relief from a court of competent jurisdiction should there be any unauthorized use or disclosure of Proprietary Information or Confidential Information by the other Party.
- c. If there shall occur any change in the condition (financial or otherwise) of Employer or an Employer Affiliate that, in the reasonable opinion of Anthem, has a material adverse effect upon the validity, performance, or enforceability of this Agreement, on the financial condition or business operation of Employer (or Employer Affiliate), or on the ability of Employer to fulfill its obligations under this Agreement, then Anthem shall have the right to require Employer to provide adequate assurance of future performance, which may include a payment of a cash deposit, letter of credit, or other method of assurance acceptable to Anthem. Examples of such a change could include, but would not be limited to the actual, or Anthem's reasonable anticipation of: (1) any voluntary or involuntary case or proceedings under bankruptcy law with respect to Employer or an Employer Affiliate; (2) any receivership, liquidation, dissolution, reorganization or other similar case or proceeding with respect to Employer or an Employer Affiliate; (3) any appointment of a receiver, trustee, custodian, assignee, conservator or similar entity or official for Employer or an Employer Affiliate; or (4) any assignment for the benefit of creditors or sale of all or substantially all of Employer's assets or a key Employer Affiliate's assets.

Any deposit amount shall be paid to Anthem within 30 days of the request or in such shorter time as agreed

to by the Parties. The deposit amount shall not be paid with Plan assets, shall not be funded in any part by Member contributions, and shall not be paid from any segregated fund or from funds in which the Plan or any Member has a beneficial interest. The deposit amount shall be the property of Anthem, may be held in Anthem's general account, may be subject to satisfy the claims of Anthem's general creditors, and does not govern or limit the benefits available under the terms of the Plan. At the termination of this Agreement and designated Claims Runout Period, if any, the deposit amount, net of any outstanding fees or Claims amounts payable to Anthem, shall be returned to Employer. Any deposit amount returned to Employer under this Article 19(c) shall not include interest. The deposit amount is the property of Anthem. Neither Employer, the Plan, nor any Member shall have any beneficial or legal ownership interest in any deposit amount paid pursuant to this Section.

If such further assurance is required by Anthem, Anthem may, at any time after the date of notice to Employer of such requirement, suspend performance of its obligations under this Agreement until the date of receipt by Anthem of such adequate assurance without being liable to the Employer, the Plan or any Member for such suspension. If such adequate assurance is not received within 30 days of the request, Anthem may terminate this Agreement.

- d. Subject to the provisions of Article 7 of this Agreement, if this Agreement terminates and Anthem makes payment of any Claim that would otherwise have been payable under the terms of this Agreement after the termination date, Employer shall be liable to reimburse Anthem for such Claim to the extent that the amounts have not already been paid by Employer. Employer also agrees to cooperate fully with Anthem in the coordination of pharmacy Claims with any successor pharmacy benefit manager.
- e. The Employer may terminate this Agreement at any time other than at the end of an Agreement Period by giving Anthem 90 days written notice of its intent to terminate.
- f. In connection with the termination of this Agreement and upon Employer's request, Anthem shall provide reports that are part of Anthem's standard account reporting package at no extra charge. However Anthem shall have no obligation to provide the reports after the termination date of this Agreement if such termination is due to non-payment pursuant to Article 19(a) of this Agreement. Upon Employer's request, Anthem shall also provide data extract files to Employer for an additional fee mutually agreed to by the Parties. In no event shall Anthem be obligated to produce more than two sets of reports following the termination date of this Agreement.

ARTICLE 20 - LIMITATION ON ACTIONS AND GOVERNING LAW

- a. No action by either Party alleging a breach of this Agreement may be commenced after the expiration of 3 years from the date on which the claim arose.
- b. This Agreement shall be governed by, and shall be construed in accordance with the laws of Connecticut but without giving effect to that state's rules governing conflict of laws.

ARTICLE 21 - NO WAIVER

No failure or delay by either Party to exercise any right or to enforce any obligation herein, and, no course of dealing between Employer and Anthem, shall operate as a waiver of such right or obligation or be construed as or constitute a waiver of the right to enforce or insist upon compliance with such right or obligation in the future. Any single or partial exercise of any right or failure to enforce any obligation shall not preclude any other or further exercise, or the right to exercise any other right or enforce any other obligation.

ARTICLE 22 - ASSIGNMENT AND SUBCONTRACTING

- a. Unless it has first obtained the written consent of an officer of the other Party, neither Party may assign this Agreement to any other person. Notwithstanding the foregoing, Anthem may, with advance written notice to Employer, assign or otherwise transfer its rights and obligations hereunder, in whole or in part, to: (i) any affiliate of Anthem; or (ii) any entity surviving a transaction involving the merger, acquisition, consolidation, or reorganization of Anthem, or in which all or substantially all of Anthem's assets are sold. Additionally, Employer may, with advance written notice to Anthem, assign, delegate, or otherwise transfer its rights and obligations hereunder, in whole, to (i) any affiliate of Employer; or (ii) any entity surviving a transaction

involving the merger, acquisition, consolidation or reorganization of Employer, or in which all or substantially all of Employer's assets are sold, provided that such affiliate or other assignee presents, in Anthem's opinion, an equivalent or better financial status and credit risk. Either Party is required to provide advance written notice under this provision only to the extent permissible under applicable law and the reasonable terms of the agreement(s) governing such merger, acquisition, consolidation, reorganization, or asset sale. If advance written notice is not allowed, notice shall be provided as soon as practicable. Upon receipt of notice of an assignment of this Agreement, the other Party may terminate this Agreement by providing the assigning Party with 30 days advance written notice of termination. Any assignee of rights or benefits under this Agreement shall be subject to all of the terms and provisions of this Agreement.

- b. Either Party may subcontract any of its duties under this Agreement without the prior written consent of other Party; however, the Party subcontracting the services shall remain responsible for fulfilling its obligations under this Agreement.

ARTICLE 23 - NOTICES

- a. Any notice or demand pursuant to Articles 19 and 22 of this Agreement shall be deemed sufficient when made in writing as follows: to Employer, by first class mail, personal delivery, or electronic mail or overnight delivery with confirmation capability, to its principal office shown upon the records of Anthem; to Anthem, by first class mail, personal delivery, electronic mail or overnight delivery with confirmation capability, to the designated Anthem sales representative.
- b. A notice or demand shall be deemed to have been given as of the date of deposit in the United States mail with postage prepaid or, in the case of delivery other than by mail, on the date of actual delivery at the appropriate address.
- c. Employer shall be obligated to provide all notices to Members as may be necessary to effectuate any change in or termination of the Agreement.

ARTICLE 24 - ADMINISTRATION

- a. Employer, on behalf of itself and its Members, hereby expressly acknowledges its understanding that this Agreement constitutes a contract solely between Employer and Anthem, that Anthem is an independent corporation operating under a license with BCBSA permitting Anthem to use the Blue Cross and Blue Shield Service Marks in Connecticut and that Anthem is not contracting as the agent of BCBSA. Employer further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than Anthem and that no person, entity, or organization other than Anthem shall be held accountable or liable to it for any of Anthem's obligations to Employer created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of Anthem other than those obligations created under other provisions of this Agreement.
- b. Anthem is providing administrative services only with respect to the portion of the Plan described in the Benefits Booklet. Anthem has only the authority granted it pursuant to this Agreement. Anthem is not the insurer or underwriter of any portion of the Plan. Anthem has no responsibility or liability for funding benefits provided by the Plan, notwithstanding any advances that might be made by Anthem. Employer retains the ultimate responsibility and liability for all benefits and expenses incident to the Plan, including but not limited to, any applicable taxes that might be imposed relating to the Plan.
- c. This provision has been intentionally deleted in its entirety.
- d. Employer shall ensure that sufficient amounts are available to cover Claims payments, the monthly Administrative Services Fee, and other fees or charges.

ARTICLE 25 - ENTIRE AGREEMENT

- a. The following documents will constitute the entire Agreement between the Parties: this Agreement, including any amendments and Schedules thereto, and the Benefits Booklet.
- b. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be

deemed an original, but all of which together shall constitute one and the same instrument.

- c. This Agreement supersedes any and all prior agreements between the Parties, whether written or oral, and other documents, if any, addressing the subject matter contained in this Agreement.
- d. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable law, order, judgment or settlement, such provision shall be excluded from the Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

ARTICLE 26 - DISPUTE RESOLUTION

This Article has been intentionally deleted in its entirety.

ARTICLE 27 - MISCELLANEOUS

- a. Employer and Anthem are separate legal entities. Anthem is strictly an independent contractor. Nothing contained in this Agreement shall cause either Party to be deemed a partner, member, agent or representative of the other Party, nor shall either Party have the expressed or implied right or authority to assume or create any obligation on behalf of or in the name of the other Party through its actions, omissions or representations.
- b. Except as may be explicitly set forth in this Agreement, nothing herein shall be construed as an implied license by a Party to use the other Party's name, trademarks, domain names, or other intellectual property. Neither Party shall use the name, trademarks, domain names, or any other name or mark of the other Party in any press release, printed form, advertising or promotional materials or otherwise, without the prior written consent of the other Party. In addition, Employer has no license to use the Blue Cross and/or Blue Shield trademarks or derivative marks (the "Brands") and nothing in the Agreement shall be deemed to grant a license to Employer to use the Brands. Any references to the Brands made by Employer in its own materials are subject to prior review and approval by Anthem.
- c. Nothing contained herein shall cause either Party to be deemed an agent for service of legal process for the other Party.
- d. Anthem may pay Performance Payments to Providers or Vendors as described in the definition of Paid Claim in this Agreement. Anthem may perform a periodic settlement or reconciliation based on the Provider's or Vendor's performance and experience against established Performance Targets that would: (1) require the Provider or Vendor to repay a portion of a Performance Payment previously paid by Anthem; or (2) require Anthem to make additional payments. Employer acknowledges and agrees that it has no responsibility for additional payments to Providers or Vendors nor any right in any discounts or excess money refunded or paid to Anthem from Providers or Vendors pursuant to such settlement/reconciliation arrangements, and neither it nor the Plan has any legal right or beneficial interest in such sums retained by Anthem. Similarly, if Providers or Vendors do not achieve established Performance Targets, Anthem is not obligated to refund any amounts previously charged Employer. In turn, if under any such settlement/reconciliation Anthem is required to pay Providers or Vendors excess compensation for Member management performance, risk-sharing rewards, or other performance incentives, it shall not seek payment from the Employer or the Plan, and neither the Employer nor the Plan shall have any liability in connection with such amounts. Such Providers or Vendors may include Anthem Affiliates. In calculating any Member co-insurance amounts in accordance with the Benefit Booklet, Anthem does not take into account these settlement/reconciliation arrangements.
- e. The Parties acknowledge that Anthem, in making decisions regarding the scope of coverage of services under the Benefits Booklet, is not engaged in the practice of medicine. Providers are not restricted in exercising their independent medical judgment by contract or otherwise and do not act on behalf of, or as agents for, Anthem or the Plan.
- f. In addition to any other provision providing for survival upon termination of this Agreement, the Parties' rights and obligations under Articles 10, 11, 12, 13, 16, 17, 19, 24, 25(a), 25(c) and 27(d) shall survive the termination of this Agreement for any reason.

- g. Each Party shall comply with all laws and regulations applicable to their respective duties and obligations assumed to under this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by affixing the signatures of duly authorized officers.

Colchester Town and Board of Education

Anthem Health Plans, Inc. dba Anthem Blue Cross and Blue Shield

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

**SCHEDULE A
TO
ADMINISTRATIVE SERVICES AGREEMENT
WITH
COLCHESTER TOWN AND BOARD OF EDUCATION**

This Schedule A shall govern the Agreement Period from July 1, 2013 through June 30, 2014. For purposes of this Agreement Period, this Schedule shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedules, and this Schedule A, the terms of this Schedule A shall control.

Section 1. Effective Date and Renewal Notice

This Agreement Period shall be from 12:01 a.m. July 1, 2013 to the end of the day of June 30, 2014.

Paid Claims shall be processed pursuant to the terms of this Agreement when incurred and paid as follows:

Incurred from July 1, 2013 through June 30, 2014 and
Paid from July 1, 2013 through June 30, 2014.

Anthem shall provide any offer to renew this Agreement at least 180 days prior to the end of an Agreement Period.

Section 2. Broker or Consultant Base Compensation

Medical Broker or Consultant Fee is \$4.51 per Subscriber per month. Upon receipt of payment from Employer, Anthem shall remit payment to the broker or consultant designated by Employer.

Dental Broker or Consultant Fee is \$0.02 per Subscriber per month. Upon receipt of payment from Employer, Anthem shall remit payment to the broker or consultant designated by Employer.

Section 3. Fees

A. Administrative Services Fee

Administrative Services Fee:

PPO:

Composite:	\$51.01 per Subscriber per month
Less Drug Rebate Credit:	\$17.12 per Subscriber per month
Net Administrative Services Fee:	\$33.89 per Subscriber per month

HMO:

Composite:	\$56.79 per Subscriber per month
Less Drug Rebate Credit:	\$17.12 per Subscriber per month
Net Administrative Services Fee:	\$39.67 per Subscriber per month

Dental:

Composite:	\$ 6.91 per Subscriber per month
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Explanation of Drug Rebate Credit Anthem shall return 70% of the Drug Rebates that it estimates it will receive from PBM to Employer in the form of a Drug Rebate credit. The Drug Rebate credit shall be calculated in the following manner: Anthem shall estimate the total Drug Rebates that it will receive during a given period attributable to Anthem's commercial business, both insured and self-insured ("Book of

Business"). Anthem shall then divide the total estimated Drug Rebates for the Book of Business by the total number of Anthem members for that same Book of Business, to arrive at a per Member credit. The credit shall be re-calculated at least once within a 12-month period. Anthem shall convert the per Member credit to a per Subscriber credit by using actual Employer membership data, if available, or averaging the number of Anthem members for a particular coverage type (e.g., single, family, etc.). The per Subscriber credit is then multiplied by 70% to arrive at the final Drug Rebate credit provided above. The Employer agrees to accept this credit in lieu of receipt of or claim to Drug Rebates received by Anthem, and Employer agrees that neither it, the Plan nor any Members shall have any legal or beneficial interest in any Drug Rebates.

Network Access Fee. Employer agrees to pay Anthem a fee for negotiating discounts and/or fee schedules with Network Providers. Such fee shall be equal to 10% of the difference between the Billed Charges and the Paid Claim amount. In no event shall the fee on any single Claim exceed \$2,000, nor shall such fees in the aggregate exceed \$160,089.00 during an Agreement period. The calculation of the network access fee shall not include Prescription Drug Claims or Claims paid on a capitated basis.

Article 3(a) Retroactive Adjustments to Enrollment.

Anthem shall credit Administrative Services Fees for each retroactive deletion up to a maximum of 60 days and shall charge Administrative Services Fees for each retroactive addition up to a maximum of 60 days.

B. Optional Program Fees

Not Applicable

C. Other Fees or Credits

Fee for Independent Claims Review: \$550.00 per independent review

Section 4. Paid Claims, Billing Cycle and Payment Method

A. Paid Claims

Paid Claims also include the following amounts or charges:

Not Applicable

B. Billing Cycle

Daily

Anthem shall notify Employer of the amount due to Anthem as a result of Claims processed and paid by Anthem according to the billing cycle described above. The actual date of notification of Paid Claims and the Invoice Due Date will be determined according to Anthem's regular business practices and systems capabilities.

C. Payment Method

ACH Demand Debit Reimbursement for Paid Claims. Anthem will initiate an ACH demand debit transaction that will withdraw the amount due from a designated Employer bank account no later than the next business day following the Invoice Due Date, however, if the Invoice Due Date falls on either a banking holiday, a Saturday or a Sunday, the withdrawal shall be made on the following banking day.

Section 5. Administrative Services Fee Billing Cycle and Payment Method

A. Billing Cycle

Monthly List Bill (pay as billed)

Anthem shall notify Employer of the amount due to Anthem pursuant to Section 3 of Schedule A according to the billing cycle described above. The actual date of notification of amounts due and the Invoice Due

Date will be determined according to Anthem's regular business practices and systems capabilities.

B. Payment Method

ACH Demand Debit Reimbursement. Anthem will initiate an ACH demand debit transaction that will withdraw the amount due from a designated Employer bank account no later than the next business day following the Invoice Due Date, however, if the Invoice Due Date falls on either a banking holiday, a Saturday or a Sunday, the withdrawal shall be made on the following banking day.

Section 6. Claims Runout Services

A. Claims Runout Period

Claims Runout Period shall be for the 24 months following the date of termination of this Agreement.

B. Claims Runout Administrative Services Fees

Claims Runout Administrative Services Fee will be equal to 20.00% of Claims processed and paid by Anthem or through the Inter-Plan Programs.

Section 7. Other Amendments. The Administrative Services Agreement is otherwise amended as follows:

BlueCard Program, Other Inter-Plan Programs and Non-Network Provider Fees

As described in Article 15, certain fees and compensation may be charged each time a Claim is processed through the BlueCard Program, other Inter-Plan Programs, including Negotiated National Account Arrangements, and non-participating Provider Claims. The extent to which they are (i) included in the Administrative Services Fee; or (ii) included in Paid Claims or separately billed to Employer is as follows:

Included in Administrative Services Fee:

- BlueCard Program toll-free number fee
- BlueCard Program PPO health care provider directory fee
- Administrative expense allowance fee ("AEA")
- Negotiated National Account Arrangement administrative and/or network access fee. It may be based on either a per Claim, per Subscriber per month or per Member per month basis.
- Central Financial Agency fee
- ITS transaction fee
- Non-Network Provider fees, which include, but are not limited to administrative expense allowance fees, Central Financial Agency Fees, and ITS Transaction Fees.

Included in Paid Claims or separately billed to Employer:

- Access fee, which is a percentage of the discount/differential Anthem receives from the Host Blue, based on the current rate in accordance with the BlueCard Program's standard procedures for establishing the access fee rate. The access fee will not exceed \$2,000 for any Claim.

Notice of Loss of Grandfathering Status

In the event Employer maintains a grandfathered health plan(s), as that term is used in the Patient Protection and Affordable Care Act ("PPACA"), Employer shall not make any changes to such plan(s), including, but not limited to, changes with respect to Employer contribution levels, without providing Anthem

with advance written notice of the intent to change such plan(s). Making changes to grandfathered plans without notice to Anthem may result in the plan(s) losing grandfathered status and significant penalties and/or fines to Employer and Anthem. In the event Employer implements changes to its plan(s) and does not provide advance notice to Anthem, Employer agrees to indemnify Anthem according to the indemnification provisions set forth elsewhere in this Agreement for any penalties, fines or other costs assessed against Anthem.

Additionally, at each renewal after September 23, 2010, Employer shall affirm in writing, upon reasonable request of Anthem, that it has not made changes to its plan(s) that would cause the plan(s) to lose its/their grandfathered status.

Transitional Reinsurance Program

Effective January 1, 2014 through June 30, 2014:

PPACA established a transitional reinsurance program (the "Reinsurance Program") to minimize the effects of adverse selection that may occur in the initial years of operation of exchanges in order to help stabilize premiums in those years. Employer agrees to cooperate with Anthem and provide information requested by Anthem in connection with the calculation under the Reinsurance Program. Employer shall pay Anthem a monthly composite rate for the Reinsurance Program as set forth below

\$13.19 per Subscriber per month

Anthem Health Plans, Inc. dba Anthem Blue Cross and Blue Shield

By: _____

Title: _____

Date: _____

**SCHEDULE B
TO
ADMINISTRATIVE SERVICES AGREEMENT
WITH
COLCHESTER TOWN AND BOARD OF EDUCATION**

This Schedule B shall govern the Agreement Period from July 1, 2013 through June 30, 2014. For purposes of this Agreement Period, this Schedule B shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedules and this Schedule B, the terms of this Schedule B shall control.

SERVICES INCLUDED IN THE ADMINISTRATION FEE IN SECTION 3A OF SCHEDULE A

Management Services

- Anthem standard Benefits and administration, unless otherwise noted below:
 - Anthem definitions and exclusions
 - Anthem complaint and appeals process
 - Claims incurred and paid as provided in Schedule A
 - Accumulation toward plan maximums beginning at zero on effective date
 - Anthem Claim forms
 - Standard ID card
 - Standard Explanation of Benefits
- Acceptance of electronic submission of eligibility information in HIPAA-compliant format
- Preparation of Benefits Booklet (accessible via internet)
- Account reporting - standard data reports
- Billing and Banking Services
 - 15/16 day rule on new hire admin fees
- Plan Design consultation
- Employer eServices
 - Add and delete Members
 - Download administrative forms
 - View Member Benefits and request ID cards
 - View eligibility
 - View Claim status and detail

Claims and Customer Services

- Claims processing services
- Coordination of Benefits
- Medicare crossover processing
- Complaint and appeals processing
 - One mandatory level of appeal, one voluntary level of appeal
- Employer customer service, standard business hours
- Member customer service, standard business hours
- 1099s prepared and delivered to Providers

- Residency-based assessments and/or surcharges and other legislative reporting requirements
- Member eServices

Prescription Benefit Services

- Mail Order pharmacy
- Specialty Pharmacy Services
- Prescription eServices
 - Pharmacy locator
 - Online formulary
- Point of sale claims processing
- Mail order claims processing
- Mail order call center with toll free number
- Mail order regular shipping and handling
- Standard management reports
- Ad hoc reports (subject to additional programming charge if required)
- Concurrent Drug Utilization Review (DUR) programs
- Retrospective DURs
- Administrative override (i.e., vacation, lost, stolen or spilled medications)
- Clinical review
- Pharmacy help desk with toll free number
- Pharmacy audits (desk and onsite; routine, in depth or focused)

Health Care Management and 360 Health Services

- Health Care Management
 - Referrals
 - Utilization management
 - Case management
 - Anthem Medical Policy
- SpecialOffers
- HealthCare Advisor
- Care Comparison (where available)
- Transplant services - Blues Distinction
- Healthy Solutions Newsletter (available online)
- MyHealth (Member Portal)

- Electronic Health Risk Assessment
- Personal Health Record
- Online Communities
- Member Alerts

Networks

- Access to networks
 - Provider Network
 - Mental Health/Substance Abuse Network
 - Coronary Services Network
 - Human Organ and Tissue Transplant Network
 - Complex and Rare Cancer Network
 - Bariatric Surgery Network
- Cost Management/Quality improvement program
 - Credentialing
 - Hospital audit program
 - Anthem standard Claims bundling edits
- Anthem.com Provider directory

OPTIONAL PROGRAMS - FEES LISTED IN SECTION 3B, 3C OR 4A OF SCHEDULE A

In addition to the services listed above, Anthem agrees to provide all services that are listed in Schedule A and for which Employer has agreed to pay a separate fee.

Anthem Health Plans, Inc. dba Anthem Blue Cross and Blue Shield

By: _____
Title: _____
Date: _____



STOP LOSS POLICY

This policy is entered into by and between Colchester Town and Board of Education ("Employer") and Anthem Health Plans, Inc. d.b.a. Anthem Blue Cross and Blue Shield ("Anthem") for the purpose of establishing stop loss coverage and is effective as of July 1, 2013 upon the terms and conditions herein ("Policy").

If there are any inconsistencies between this Policy and any prior stop loss agreements or the Administrative Services Agreement between Anthem and Employer, the terms and conditions of this Policy shall control.

In consideration of the promises and the covenants contained in this Policy, Employer agrees to pay the premiums required by Anthem and Anthem agrees to provide the coverage as set forth in and subject to the following terms:

ARTICLE 1 DEFINITIONS

For purposes of this Policy and any amendments, attachments, or schedules to this Policy, the following words and terms have the following meanings unless the context or use clearly indicates another meaning or intent. If a term is not defined, the term shall have the same meaning as defined in the Administrative Services Agreement between the Parties.

AGGREGATE STOP LOSS LIMIT. The threshold total dollar amount of Paid Claims for which Employer is financially responsible. Anthem is financially responsible for Paid Claims in excess of the Aggregate Stop Loss Limit according to the terms of this Policy.

ELIGIBLE CLAIM DATE PERIOD. The dates during which Claims for benefits provided under the terms of the Plan must be Incurred and paid in order to be covered by this Policy.

INCURRED. The date on which a supply is obtained or a service is rendered to a Member.

LINES OF COVERAGE. The benefit plan(s) administered by Anthem and provided in Schedule A.

PAID CLAIM. A Claim for services rendered or supplies provided to a Member under the terms of the Plan, provided such Claim has been received and adjudicated by Anthem. Paid Claim shall have the same meaning as contained in the Administrative Services Agreement between the Parties, unless specifically excluded as indicated in Sections 4(e) and 5(d) of Schedule A.

SPECIFIC STOP LOSS LIMIT. The threshold total dollar amount of Paid Claims for which Employer is financially responsible with respect to a Subscriber or Member as indicated in Section 4(a) of Schedule A. Subject to the terms of this Policy, Anthem is financially responsible for Paid Claims in excess of the Specific Stop Loss Limit.

ARTICLE 2 SPECIFIC STOP LOSS COVERAGE

- 2.1 In the event that the total amount of Paid Claims pertaining to Subscribers or Members and Lines of Coverage provided in Sections 4(a) and 4(b) of Schedule A exceeds the Specific Stop Loss Limit provided in Section 4(c) of Schedule A, Anthem shall reimburse Employer. Anthem's reimbursement under this Article shall occur no later than 90 days following the end of the Policy Period.
- 2.2 In the event that the Specific Stop Loss Limit is reached, no amount in excess of the Specific Stop Loss Limit shall be applied towards attainment of any Aggregate Stop Loss Limit.
- 2.3 Certain Paid Claims may be excluded from the specific stop loss coverage provided in this Policy. These exclusions are provided in Section 4(e) of Schedule A as applicable.

**ARTICLE 3
AGGREGATE STOP LOSS COVERAGE**

- 3.1 The Aggregate Stop Loss Limit is the sum of the amounts derived by multiplying the applicable aggregate stop loss amount by the actual number of Subscribers or Members, provided in Section 5(b) of Schedule A, for all months in the Policy Period.
- 3.2 When the total amount of Paid Claims for all Subscribers or Members and the Lines of Coverage indicated in Sections 5(a) and 5(b) of Schedule A exceeds the Aggregate Stop Loss Limit, Anthem shall reimburse Employer for such excess. Anthem's reimbursement under this Article 3 shall occur no later than 90 days following the end of the Eligible Claim Date Period. All Lines of Coverage that are subject to aggregate stop loss coverage shall be combined for purposes of calculating amounts owed under this Policy.
- 3.3 Certain Paid Claims may be excluded from the aggregate stop loss coverage provided in this Policy. These exclusions are provided in Section 5(d) of Schedule A as applicable.

**ARTICLE 4
LIMITATIONS ON COVERAGE**

- 4.1 Unless otherwise noted in Schedule A, Paid Claims for Members are covered under the term of the Eligible Claim Date Period of this Policy.
- 4.2 Claims that are covered by another contract shall not count toward the attainment of the stop loss limit(s) under this Policy. In addition, Paid Claims that are covered under the term of an Eligible Claim Date Period will not count toward attainment of any stop loss limit(s) under a subsequent Policy Period.
- 4.3 Under the Administrative Services Agreement, the Employer may request Anthem to process and pay Claims that were denied by Anthem or take other actions with respect to the Plan that are not specifically provided in the Benefits Booklet. In such cases, payments shall not count toward the stop loss accumulators under this Policy unless otherwise agreed to in writing by Anthem.
- 4.4 If a Member does not enroll when first eligible or within the applicable enrollment period provided in the Plan for a special enrollment event, the Member shall be considered a "Late Enrollee" as defined under the Plan. Paid Claims for a Late Enrollee shall not apply towards the stop loss limits under this Policy unless Anthem first provides Employer with written approval and the effective date of coverage under this Policy. Anthem has the right to allow or deny stop loss coverage under this Policy for a Late Enrollee. Anthem shall not cover under this Policy any Late Enrollee not disclosed by the Employer to Anthem.
- 4.5 A Claim incurred during the Eligible Claim Date Period but not paid until after the expiration of the Eligible Claim Date Period is not eligible for coverage under this Policy Period. Employer may pursue stop loss coverage under this Policy only if Employer demonstrates that Anthem acted in bad faith to delay processing and payment of the Claim until after the expiration of the Eligible Claim Date Period.

**ARTICLE 5
SETTLEMENT**

- 5.1 Within 90 days after the end of each Eligible Claim Date Period (or after the termination of this Policy and any applicable Claims Run-out), Anthem shall furnish Employer with a settlement calculation and any additional data which, in Anthem's opinion, is needed to explain to Employer the settlement calculation. Anthem has the right to offset any amounts owed by Employer under this Policy or the Administrative Services Agreement against any amounts owed by Anthem to Employer.
- 5.2 If, based on the settlement calculation for a Policy Period, Anthem must pay Employer an amount due under the terms of this Policy, Anthem shall pay Employer with the invoice that includes the settlement calculation.
- If, based on the settlement calculation Employer must pay Anthem an amount under the terms of this Policy, then Employer shall pay Anthem no later than 30 days following receipt of the invoice.

**ARTICLE 6
STOP LOSS PREMIUM RATES**

The premium rates for the specific stop loss coverage provided in this Policy are indicated in Section 4(d) of Schedule A. The premium rates for the aggregate stop loss coverage provided in this Policy are indicated in Section 5(c) of Schedule A. Employer shall pay Anthem such amounts by the Invoice Due Date.

**ARTICLE 7
LATE PAYMENT PENALTY**

If Employer fails to timely pay any amount due to Anthem under this Policy, Employer shall pay a late payment penalty for each day the payment is late. The late payment penalty shall be calculated at the rate of 12% simple interest per annum (365 days), and shall be included on a subsequent invoice and payable by the Invoice Due Date.

If applicable, Employer agrees to reimburse Anthem for any expenses charged to Anthem by a financial institution, Provider or Vendor due to Employer's failure to maintain sufficient funds in a designated bank account. Any acceptance by Anthem of late payments shall not be deemed a waiver of its rights to terminate this Policy for any future failure of Employer to make timely payments.

**ARTICLE 8
CHANGES IN TERMS OR CONDITIONS**

8.1 If Anthem offers to renew this Policy at the end of a Policy Period, then Anthem shall provide Employer with the terms and conditions of the proposed renewal in writing within the time period provided in Section 1 of Schedule A. The Employer shall notify Anthem in writing of its selection from the renewal options by indicating its selection and signing Anthem's designated renewal form. If Anthem does not receive a signed acceptance of the renewal from Employer prior to the start of the next Policy Period, the Employer's payment of the amounts provided in the renewal shall constitute Employer's acceptance of the terms. Anthem shall provide a revised Schedule A that will become part of this Policy without the necessity of securing Employer's signature.

8.2 Anthem reserves the right to make changes to this Policy, to Schedule A, or other applicable Run-in or Run-out Schedules at a time other than the start of a Policy Period upon the occurrence of one or more of the following events:

(1) a change to the Plan benefits initiated by Employer that results in a substantial change in the services as determined by Anthem; (2) a change in ownership (including but not limited to a merger, consolidation, or transfer of all or substantially all of Employer's assets); (3) a change in the total number of Members resulting in either an increase or decrease of 10% or more of the number of Members enrolled for coverage on the date the stop loss premium was last modified; (4) a change in the Employer contribution; (5) a change in the nature of Employer's business resulting in a change in its designated Standard Industrial Classification ("SIC") code; or (6) a change in applicable law affecting this Policy or any of the Plan Documents.

Anthem shall provide notice to Employer of any change at least 30 days prior to the effective date of such change. If such change is unacceptable to Employer, either Party shall have the right to terminate this Policy by giving written notice of termination to the other Party before the effective date of the change. If Employer accepts the proposed change, Anthem shall provide a revised Schedule A that will then become part of this Policy without the necessity of securing Employer's signature on the Schedule A.

8.3 No modification or change in any provision of this Policy, including but not limited to, changes at renewal, shall be effective unless and until approved in writing by an authorized representative of Anthem and evidenced by an amendment or new Schedule attached to this Policy.

8.4 This Policy shall in no event be construed in a manner to alter the fact that Employer's health benefits plan is a self-insured plan and, as such, is not subject to the state insurance laws or regulations, due to the application of Section 514(a) of ERISA. Any payments made under this Policy shall only be for the benefit of Employer. Anthem has no obligation or liability under this Policy to provide benefits to Subscribers or Members. No Subscriber or Member shall have the right to any of the proceeds of any stop loss insurance obtained by Employer pursuant to this Policy.

**ARTICLE 9
SUBROGATION AND OTHER RECOVERIES**

Any subrogation or other recovery received by the Plan will not be used to satisfy any of the stop loss limits under this Policy. Anthem will first be repaid any amounts it has reimbursed under this Policy or under a previous stop loss agreement between the Parties. Any remaining recovery amounts shall be credited or paid to Employer as described in the Administrative Services Agreement.

**ARTICLE 10
TERMINATION**

10.1 This Policy automatically terminates as follows:

10.1.1 At the end of each Policy Period unless the Policy is renewed pursuant to Article 8 of this Policy.

10.1.2 Upon the termination of the Administrative Services Agreement.

10.1.3 At the end of the month in which fewer than 200 Subscribers are covered under the Plan.

10.1.4 If Employer changes to a third party administrator other than Anthem for the Claims that are subject to this Policy.

Upon termination of this Policy, the Parties shall remain liable for all payments due under this Policy.

10.2 The Employer may terminate this Policy at any time other than at the end of a Policy Period by giving Anthem 90 days written notice of its intent to terminate.

10.3 Notwithstanding any other provision of this Article 10, this Policy automatically terminates, without further notice or action, if Employer fails to pay any premium amounts due under this Policy within 7 days of the date of Anthem's notice to the Employer of a delinquent amount owed ("Grace Period"). Such termination shall be effective as of the last period for which full payment was made. During the Grace Period, the stop loss coverage will remain in effect provided the premium is paid before the end of the Grace Period. Any acceptance of a delinquent payment by Anthem shall not be deemed a waiver of this provision for termination of this Policy. Delivery of payment to Anthem or Anthem's receipt and negotiation of a tendered payment through its automatic deposit procedures shall not be deemed acceptance or a waiver of such termination. If this Policy is terminated due to nonpayment of premium, Claims Run-out coverage, if any, will not apply.

10.4 Notwithstanding any other provision of this Policy, if Employer engages in fraudulent conduct or misrepresentation, Anthem may rescind, cancel, or terminate this Policy, effective on the date of the fraudulent conduct or misrepresentation regardless of the date Anthem's discovered such conduct. Employer shall be liable to Anthem for any and all payments made, as well as losses or damages sustained by Anthem arising as a result of such Employer conduct.

10.5 In the event that this Policy terminates or is terminated prior to the end of a Policy Period, the stop loss limits under this Policy shall not be prorated, and Anthem shall not reimburse Employer for any Paid Claims unless the Specific Stop Loss Limit and/or the Aggregate Stop Loss Limit or the Minimum Aggregate Stop Loss Limit, if greater, have been met. Only amounts accumulated towards any stop loss limits under this Policy through the date of termination will be used in the determination of whether such limits have been met. Anthem shall have no obligation to refund to Employer any stop loss premiums paid by Employer under this Policy.

If, based on the settlement calculation, Anthem must pay Employer an amount due under the terms of this Policy, Anthem shall pay Employer with the invoice that includes the settlement calculation.

If, based on the settlement calculation Employer must pay Anthem an amount under the terms of this Policy, then Employer shall pay Anthem no later than 30 days following receipt of the invoice.

**ARTICLE 11
NOTICES**

- 11.1 Notices under this Policy shall be deemed sufficient when made in writing as follows: to Employer, by first class mail, personal delivery, electronic mail or overnight delivery with confirmation capability, to its principal office shown upon the records of Anthem; to Anthem, by first class mail, personal delivery, electronic mail or overnight delivery with confirmation capability, to the designated Anthem sales representative.
- 11.2 A notice or demand shall be deemed to have been given as of the date of deposit in the United States mail with postage prepaid or, in the case of delivery other than by mail, on the date of actual delivery at the appropriate address.

**ARTICLE 12
GENERAL PROVISIONS**

- 12.1 No failure or delay by either Party to exercise any right or to enforce any obligation herein and no course of dealing between Employer and Anthem shall operate as a waiver of such right or obligation or be construed as or constitute a waiver of the right to enforce or insist upon compliance with such right or obligation in the future. Any single or partial exercise of any right or failure to enforce any obligation shall not preclude any other or further exercise or the right to exercise any other right or enforce any other obligation.
- 12.2 Unless it has first obtained the written consent of an officer of the other Party, neither Party may assign this Policy to any other person. Notwithstanding the foregoing, Anthem may, with advance written notice to Employer, assign or otherwise transfer its rights and obligations hereunder, in whole or in part, to: (i) any affiliate of Anthem; or (ii) any entity surviving a transaction involving the merger, acquisition, consolidation, or reorganization of Anthem, or in which all or substantially all of Anthem's assets are sold. Additionally, Employer may, with advance written notice to Anthem, assign, delegate, or otherwise transfer its rights and obligations hereunder, in whole, to (i) any affiliate of Employer; or (ii) any entity surviving a transaction involving the merger, acquisition, consolidation or reorganization of Employer, or in which all or substantially all of Employer's assets are sold, provided that such affiliate or other assignee presents, in Anthem's opinion, an equivalent or better financial status and credit risk. Either Party is required to provide advance written notice under this provision only to the extent permissible under applicable law and the reasonable terms of the agreement(s) governing such merger, acquisition, consolidation, reorganization, or asset sale. If advance written notice is not allowed, notice shall be provided as soon as practicable. Upon receipt of notice of an assignment of this Policy, the other Party may terminate this Policy by providing the assigning Party with 30 days advance written notice of termination. Any assignee of rights or benefits under this Policy shall be subject to all of the terms and provisions of this Policy. Either Party may subcontract any of its duties under this Policy without the prior written consent of other Party; however, the Party subcontracting the services shall remain responsible for fulfilling its obligations under this Policy.
- 12.3 The payment of amounts under this Policy will not include any taxes which might be paid or payable by Employer; or any tax liability, interest or penalty imposed by any regulatory or taxing authority. Employer agrees to pay Anthem for any tax liability assessed against Anthem on the basis of the stop loss coverage provided to Employer and shall reimburse Anthem for the amount of any such tax liability incurred by Anthem as the result of such tax assessment. Such reimbursement shall be due and payable when Employer receives Anthem's notification that reimbursement is due.
- 12.4 No action by either Party alleging a breach of this Policy may be commenced after the expiration of 3 years from the date on which the claim arose.
- 12.5 Employer on behalf of itself and its participants, hereby expressly acknowledges its understanding that this Policy constitutes a contract solely between Employer and Anthem, that Anthem is an independent corporation operating under a license with the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, permitting Anthem to use the Blue Cross and Blue Shield Service Marks in the State of Connecticut and that Employer further acknowledges and agrees that it has not entered into this Policy based upon representations by any person other than Anthem and that no person, entity, or organization other than Anthem shall be held accountable or liable to it for any of Anthem's obligations to Employer created under this Policy. This paragraph shall not create any additional obligations whatsoever on the part of Anthem other than those obligations created under other provisions of this Policy.
- 12.6 If there is a conflict between the terms and conditions of this Policy and the Administrative Services

Agreement between the Parties, the terms and conditions of this Policy shall prevail.

- 12.7 Anthem agrees that it will not terminate this Policy during an Eligible Claim Date Period due to adverse claim experience of Member(s).

**ARTICLE 13
ENTIRE AGREEMENT**

- 13.1 The following documents will constitute the entire description of stop loss coverage between the Parties: this Policy, including any applications, amendments and Schedules thereto.
- 13.2 This Policy supersedes any and all prior agreements between the Parties, whether written or oral, and other documents, if any, addressing the subject matter contained in this Policy.
- 13.3 If any provision of this Policy is held to be invalid, illegal or unenforceable in any respect under applicable law, order, judgment or settlement, such provision shall be excluded from the Policy and the balance of this Policy shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Parties hereto have caused this Policy to be executed in duplicate by affixing the signatures of duly authorized officers.

Colchester Town and Board of Education

Anthem Health Plans, Inc. d.b.a. Anthem Blue Cross and Blue Shield

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

**SCHEDULE A
to the
STOP LOSS POLICY with
COLCHESTER TOWN AND BOARD OF EDUCATION**

Section 1. Term

The Policy Period shall be from July 1, 2013 through June 30, 2014. For purposes of this Policy Period, this Schedule shall supplement and amend the Stop Loss Policy between the Parties.

Anthem shall provide an offer to renew this Policy at least 90 days prior to the end of a Policy Period.

Jurisdiction of this Policy shall be in the state of Connecticut.

Section 2. Eligible Claim Date Period

Claims under the Plan shall be covered by the Stop Loss Policy when Incurred and paid as follows:

Incurred from July 1, 1990 through June 30, 2014 and
Paid from July 1, 2013 through June 30, 2014

The Eligible Claim Date Period applies only to a full Policy Period.

Section 3. Member Excluded from Stop Loss Coverage

Not Applicable

Section 4. Specific Stop Loss Coverage

A. Application of Specific Stop Loss Coverage

Amounts accumulated toward the Specific Stop Loss Limit shall be calculated as follows:

Per Member

B. Lines of Coverage

The specific stop loss coverage shall apply to the following benefits under the Plan:

HMO
PPO
CDHP

C. Specific Stop Loss Coverage Limits

Specific Stop Loss Limit

\$125,000.00

D. Premium Rates

The per Subscriber Premium Rates for the specific stop loss coverage shall be the following:

HMO:

Composite \$73.08 /mo.

PPO:

Composite \$95.63 /mo.

CDHP:

Composite \$95.63 /mo.

E. Paid Claims

For purposes of specific stop loss coverage, Paid Claims shall not include the following:

- Dental
- Vision
- Short Term Disability
- Claim surcharges to the extent that such surcharges are not included in the Paid Claim amount
- Funds representing Employer allocation to Consumer Directed Health Plan accounts

Section 5. Aggregate Stop Loss Coverage

A. Lines of Coverage

The aggregate stop loss coverage shall apply to the following benefits under the Plan.

- HMO
- PPO
- CDHP
- Dental
- Vision

B. Aggregate Stop Loss Coverage Limits

Aggregate Stop Loss Amount. The aggregate stop loss amount used to determine the Aggregate Stop Loss Limit shall be calculated with the following:

Per Subscriber

HMO:

Composite \$1,682.82 per Subscriber per month

PPO:

Composite \$1,803.78 per Subscriber per month

CDHP:

Composite \$1,308.64 per Subscriber per month

Dental:

Composite \$0.00 per Subscriber per month

Vision:

Composite \$0.00 per Subscriber per month

C. Premium Rates

The per Subscriber Premium Rates for the aggregate stop loss coverage shall be the following:

HMO:

Composite \$7.97 /mo.

PPO:

Composite \$8.08 /mo.

CDHP:

Composite \$8.08 /mo.

Dental:

Composite \$0.00 /mo.

Vision:

Composite \$0.00 /mo.

D. Paid Claims

For purposes of aggregate stop loss coverage, Paid Claims does not include the following:

Short Term Disability
Comprehensive Health Solutions Program Fees
Claim surcharges to the extent that such surcharges are not included in the Paid Claim amount
Funds representing Employer allocation to Consumer Directed Health Plan accounts

Section 6. Payment

ACH Demand Debit Reimbursement. Anthem will initiate an ACH demand debit transaction that will withdraw the amount due from a designated Employer bank account no later than the next business day following the Invoice Due Date; however, if the Invoice Due Date falls on either a banking holiday, a Saturday or a Sunday, the withdrawal shall be made on the following banking day.

Section 7. Premium Credit

Anthem shall credit premium for each retroactive deletion up to a maximum of 60 days, and shall charge for each retroactive addition up to a maximum of 60 days.

Section 8. Liability Maximum

This Section has been intentionally omitted.

Section 9. Other Amendments

This Policy is otherwise amended as follows:

The following definition "INVOICE DUE DATE" is added:

INVOICE DUE DATE. The date on the invoice provided to Employer indicating when payment is due.

The following definition "POLICY PERIOD" is added:

POLICY PERIOD. The term defined in Section 1 of Schedule A.

Anthem Health Plans, Inc. d.b.a. Anthem Blue Cross and Blue Shield

By: _____

Title: _____

Date: _____



**N. Maggie Cosgrove
Chief Financial Officer
Finance Department**

Date: October 29, 2013

To: Board of Selectmen

From: N. Maggie Cosgrove, CFO

Subject: McGladrey LLP - Business Associate Agreement – Protected Health Information

Background

McGladrey LLP is the independent auditing firm for the Town of Colchester for the fiscal year ended June 30, 2013. The audit services to be provided may involve the use or disclosure of information which meets the statutory definition of Protected Health Information. Under the Standards for Privacy of Individually Identifiable Health Information, as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act, the Town and the auditing firm must enter into a written business associate agreement with respect to the use and disclosure of Protected Health Information.

Recommendation

Authorize First Selectman to sign the Business Associate Agreement with McGladrey LLP related to auditing services provided for the fiscal year ended June 30, 2013.

July 9, 2013

Ms. N. Maggie Cosgrove
Chief Financial Officer
Town of Colchester
127 Norwich Avenue, Suite 203
Colchester, CT 06415

This Agreement (the "Business Associate Agreement") is made and effective as of July 9, 2013 (the "Effective Date"), by and between McGladrey LLP ("Business Associate"), and the Town of Colchester, Connecticut ("Covered Entity").

WHEREAS, Business Associate provides certain services to or for Covered Entity pursuant to our understanding of the arrangements for services we are to perform for the Town of Colchester for the year ending June 30, 2013, between Business Associate and Covered Entity (the "Services Agreement") which involves the use or disclosure of information which meets the statutory definition of Protected Health Information (defined below) under the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts C ("Security Rule") and E (the "Privacy Rule"), as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), as Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub.L. 111-5).

WHEREAS, under the Privacy Rule, Covered Entity and Business Associate must enter into a written business associate agreement with respect to the use and disclosure of Protected Health Information.

NOW THEREFORE, in consideration of the mutual provisions contained herein, it is agreed as follows:

1. **Definitions.** Terms used, but not otherwise defined, in this Business Associate Agreement shall have the same meaning as those terms in the Privacy Rule.
 - 1.1 **Breach.** "Breach" shall have the same meaning as the term "breach" in § 13400 of the HITECH Act and shall include the unauthorized acquisition, access, use, or disclosure of PHI that compromises the security or privacy of such information.
 - 1.2 **Designated Record Set.** "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR § 164.501.
 - 1.3 **Individual.** "Individual" shall have the same meaning as the term "individual" in 45 CFR § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
 - 1.4 **Protected Health Information.** "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
 - 1.5 **Required By Law.** "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

- 1.6 **Secretary.** "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
- 1.7 **Unsecured Protected Health Information.** "Unsecured Protected Health Information" or "Unsecured PHI" shall mean Protected Health Information that is not secured through the use of a technology or methodology specified by the Secretary in guidance or as otherwise defined in § 13402(h) of the HITECH Act.
2. **Permitted Uses and Disclosures by Business Associate.** Except as otherwise limited in this Business Associate Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Services Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.
3. **Obligations and Activities of Business Associate.**
 - 3.1 **Use and Disclosure of Protected Health Information.** Business Associate agrees not to use or disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as Required by Law.
 - 3.2 **Safeguards against Misuse of Protected Health Information.** Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Business Associate Agreement.
 - 3.3 **Reporting of Disclosures of Protected Health Information.** Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Business Associate Agreement of which it becomes aware.
 - 3.4 **Mitigation Procedures.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a misuse or unauthorized disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
 - 3.5 **Breach Notification.** If a breach of unsecured PHI occurs at or by Business Associate, Business Associate must notify the Covered Entity following the discovery of the breach, without unreasonable delay and in all cases no later than thirty (30) calendar days from the discovery of the breach. Business Associate's notification to Covered Entity shall:
 - (a) Include the individuals whose Unsecured PHI has been, or is reasonably believed to have been, the subject of a Breach; and
 - (b) Be in substantially the same form as Exhibit A hereto.
 - 3.6 **Agreements with Third Parties.** Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity, agrees to the same restrictions and conditions that apply through this Business Associate Agreement to Business Associate with respect to such information.
 - 3.7 **Access to Protected Health Information.** Within thirty (30) days after receipt of a written request from Covered Entity, Business Associate agrees to provide access (i) to Protected Health Information in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524 (this provision will not apply to Business Associate if Business Associate does not have Protected Health Information in a Designated Record Set); and (ii) to its premises for a review and demonstration of its internal practices and procedures for safeguarding Protected Health Information.
 - 3.8 **Amendments to Protected Health Information.** Within thirty (30) days after receipt of a written request from Covered Entity, Business Associate agrees to make any

amendment(s) to Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity, contained in a Designated Record Set that the Covered Entity directs about an Individual. This provision will not apply to Business Associate if Business Associate does not have Protected Health Information in a Designated Record Set.

- 3.9 Availability of Books and Records.** Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity, available to the Secretary for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
 - 3.10 Accounting of Disclosures.** Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528. Within thirty (30) days after receipt of a written request from Covered Entity, Business Associate agrees to make such documentation available to Covered Entity.
 - 3.11 Use of Protected Health Information for Proper Management.** Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out its legal responsibilities.
 - 3.12 Disclosure of Protected Health Information for Proper Management.** Except as otherwise limited in this Business Associate Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
 - 3.13 Data Aggregation Services.** Except as otherwise limited in this Business Associate Agreement, Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B).
 - 3.14 Reporting Violations of Law.** Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with § 164.502(j)(1).
- 4. Obligations of Covered Entity.**
- 4.1 Limitations in Notice of Privacy Practices.** Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices to an Individual pursuant to the Privacy Rule, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
 - 4.2 Revocation of Permission.** Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
 - 4.3 Agreed Upon Restrictions.** Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.
 - 4.4 Minimal Disclosure.** Covered Entity shall disclose to Business Associate only the minimum amount of Protected Health Information necessary to allow Business Associate

to fulfill its obligations to Covered Entity under the Services Agreement. Wherever practicable, Covered Entity will redact personal identifiers from Protected Health Information disclosed to Business Associate.

5. Term and Termination of Business Associate Agreement.

5.1 Term. The Term of this Business Associate Agreement shall be effective as of the Effective Date and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.

5.2 Termination for Cause. Upon Covered Entity's knowledge of a material breach of this Business Associate Agreement by Business Associate, Covered Entity shall either:

- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Business Associate Agreement if Business Associate does not cure the breach or end the violation within thirty (30) days after receipt of written notice from Covered Entity;
- (b) Immediately terminate this Business Associate Agreement if Business Associate has breached a material term of this Business Associate Agreement and cure is not possible; or
- (c) If neither termination nor cure is feasible, Covered Entity may report the violation to the Secretary.

5.3 Effect of Termination.

- (a) Except as provided in Section 5.3(b) below, upon termination of this Business Associate Agreement for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- (b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

6. Indemnification. Each party (the "Indemnifying Party") will indemnify and hold harmless the other party and its partners, directors, officers, employees, agents, and subcontractors (each an "Indemnified Party") from and against all actions, liabilities, damages, penalties, losses, awards, judgments, settlements consented to by the Indemnifying Party, proceedings and demands related to, arising out of or in any way connected with any third party claim resulting from the breach of this Business Associate Agreement by the Indemnifying Party, the negligent acts or omissions or willful misconduct of the Indemnifying Party, or any violation of applicable law by the Indemnifying Party.

7. Limitation of Liability. Business Associate's total liability relating to this Business Associate Agreement and the Services Agreement shall be limited as set forth in the Services Agreement.

8. **Governing Law.** This Business Associate Agreement shall be interpreted, construed, and enforced in accordance with the substantive law of the State of Connecticut, without giving effect to the conflict of laws principles thereof. Venue for any dispute involving the interpretation or enforcement of this Business Associate Agreement shall be in either the courts of the State of Connecticut or in federal courts located within the State of Connecticut as appropriate.
9. **Notice.** All notices and other communications permitted or required to be given hereunder shall be in writing and either: (i) delivered in person; (ii) sent by express mail or other overnight delivery service providing receipt of delivery; (iii) mailed by certified or registered mail, postage prepaid, return receipt requested; or (iv) sent by facsimile transmission (with confirmation of receipt) as follows:

If to Business Associate: McGladrey LLP
One Church Street
New Haven, CT 06510
Attn: Scott A. Bassett
Fax: 203-773-0591

If to Covered Entity: Town of Colchester
127 Norwich Avenue, Suite 203
Colchester, CT 06415
Attn: Ms. N. Maggie Cosgrove
Chief Financial Officer
Fax: 860-537-7231

10. **Miscellaneous.**

- 10.1 **Regulatory References.** A reference in this Business Associate Agreement to a section in the Privacy Rule means the section as in effect or as amended.
- 10.2 **Survival.** The respective rights and obligations of Business Associate under Section 5.3 (Effect of Termination) of this Business Associate Agreement shall survive the termination of this Business Associate Agreement.
- 10.3 **Interpretation.** Any ambiguity in this Business Associate Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.
- 10.4 **Inconsistent Terms.** The terms and conditions of this Business Associate Agreement control over and supersede any inconsistent terms in the Services Agreement.
- 10.5 **Amendment and Modification.** This Business Associate Agreement may only be amended or modified by an instrument in writing signed by duly authorized representatives of the parties. The Parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- 10.6 **Headings.** The headings contained in this Business Associate Agreement are for convenience of reference only and do not define or limit the provisions hereof.
- 10.7 **Counterparts and Facsimile Signature.** This Business Associate Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile copy of this Business Associate Agreement will be treated as an original and will be admissible as evidence of this Business Associate Agreement.

[Signature page to follow.]

IN WITNESS WHEREOF, the parties have executed this Business Associate Agreement as of the date first written above.

Please sign both copies keeping one for your files and returning one copy to:

McGladrey LLP
One Church Street, 8th Floor
New Haven, CT 06510-3332

McGladrey LLP

Town of Colchester

By: Scott A. Bassett

By: _____

Name: Scott A. Bassett

Name: _____

Title: Partner

Title: _____

Exhibit A

This notification is made pursuant to Section 3.4 of the Business Associate Agreement between McGladrey LLP ("Business Associate"), and the Town of Colchester ("Covered Entity").

Business Associate hereby notifies Covered Entity that there has been a breach of unsecured (unencrypted) protected health information (PHI) that Business Associate has used or has had access to under the terms of the Business Associate Agreement.

Description of the breach: *[Insert]*

Date of the breach: *[Insert]*

Date of the discovery of the breach: *[Insert]*

Number of individuals affected by the breach: *[Insert]*

The types of unsecured PHI that were involved in the breach (such as full name, Social Security number, date of birth, home address, account number, or disability code): *[Insert]*

Any steps individuals should take to protect themselves from harm resulting from the breach: *[Insert]*

Description of what Business Associate is doing to investigate the breach, to mitigate losses, and to protect against any further breaches: *[Insert]*

Contact information to ask questions or learn additional information:

Name:

Title:

Address:

Email Address:

Toll-free Phone Number:

Website:

Sylvia Miller

From: Gregg Schuster
Sent: Friday, November 01, 2013 1:41 PM
To: Sylvia Miller
Subject: FW: Awarding Merit Bonuses to Non-Union Department Heads

Gregg Schuster
First Selectman
Town of Colchester
127 Norwich Avenue
Colchester, CT 06415
860.537.7220

From: Patrick J. McHale [<mailto:pmchale@kemlaw.com>]
Sent: Monday, October 28, 2013 1:35 PM
To: Gregg Schuster
Subject: Awarding Merit Bonuses to Non-Union Department Heads

Gregg:

Earlier today, you asked me whether the Board of Selectmen could award merit bonuses to non-union department heads or whether such awards required separate approval of the legislative body and budget authority, which in Colchester is the Town Meeting. You have further explained that the merit bonus pool of funds has already been approved by the Town Meeting when the 2013-2014 budget was adopted, although the specific amounts to be paid out to specific employees was not determined at the time the budget was approved. You asked this question in light of the provisions of Conn. Gen. Stat. Section 7-460 which provides, in relevant part, that "...any municipality..., through its legislative body, may fix the compensation of its officials and employees, subject to the approval of its budget authority."

I have reviewed applicable case law interpreting Section 7-460 and, not surprisingly, there are no cases which specifically address the question you have asked. However, it is clear from the case law that courts find fault with municipal officials under this statute when they spend money on the compensation paid to employees when such funds have not previously been approved by the municipality's budget authority. Under the facts you have presented to me, the budget authority has previously approved the bonus pool of funds, presumably for bonuses to be paid to employees of the Town. Since the budget authority has previously appropriated these funds, I believe it is defensible for the Town to allocate such monies without the need to reconvene a Town meeting to approve the specific bonus amounts to be paid to each employee.

I hope this is responsive to the question you asked.
If not please let me know if I can be of any further assistance.

Best regards.

**KAINEN
ESCALERA
AND
MCHALE** PC
LABOR & EMPLOYMENT LAWYERS

Your workplace is our business.

Patrick J. McHale
Attorney at Law

21 Oak Street, Suite 601
Hartford, CT 06106

860-493-0870 phone
860-493-0871 fax
pmchale@kemlaw.com
www.kemlaw.com

This message is only for the use of the addressee and may contain confidential and privileged information. Any dissemination, distribution or copying of this communication other than by the intended recipient is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and destroy all copies of this communication. Thank you.

Sylvia Miller

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