



CITY COMMISSION MEETING
AGENDA FOR OCTOBER 4, 2016
 5:30 P.M.
CITY HALL COMMISSION CHAMBERS
300 SOUTH FIFTH STREET

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

ADDITIONS/DELETIONS

PRESENTATION: 2017 Health Insurance Update– G. CARLTON

	I. <u>MINUTES</u>
	II. <u>MOTION</u>
	A. R & F Documents
	III. <u>MUNICIPAL ORDERS</u>
	A. Use of Spending Credits for Eligible Employees Pursuant to the City's Group Health Insurance Plan for the 2017 Plan Year – M. RUSSELL
	B. Health Insurance Benefit Plan Premiums for 2017 – M. RUSSELL
	IV. <u>ORDINANCES – ADOPTION</u>
	A. Set FY2017 Property Tax Rate (Levy) - J. PERKINS
	B. Accept the NEA Arts Engagement in American Communities Grant Award – S. ERVIN
	C. W. B. Sanders Apartments and Jackson House Assessment and Reassessment Moratorium – S. ERVIN
	D. Purchase One (1) Telescoping Aerial Truck for EPW Maintenance – R. MURPHY
	E. Authorization to Quitclaim Any Ownership Interest the City May Have of Two Remnant Properties adjacent to the Floodwall – R. MURPHY
	V. <u>ORDINANCE - INTRODUCTION</u>
	A. Approve Final Subdivision for Strawberry Hills – S. CHINO

		B. Administrative Services and Stop Loss Insurance with Anthem Blue Cross Blue Shield – M. RUSSELL
		C. Strategic Health Risk Advisor and Strategic Benefit Placement Services Renewal with Peel & Holland – M. RUSSELL
		D. Anthem Blue Cross Blue Shield Administrative Services – M. RUSSELL
	VI.	<u>CITY MANAGER REPORT</u>
	VII.	<u>MAYOR & COMMISSIONER COMMENTS</u>
	VIII.	<u>PUBLIC COMMENTS</u>
	IX.	<u>EXECUTIVE SESSION</u>

SEPTEMBER 27, 2016

At a Regular Meeting of the Board of Commissioners, held on Tuesday, September 27, 2016, at 5:30 p.m., in the Commission Chambers of City Hall located at 300 South 5th Street, Mayor Kaler presided, and upon call of the roll by the City Clerk, the following answered to their names: Commissioners Abraham, Rhodes, Wilson and Mayor Kaler (4). Commissioner Gault was absent (1).

PROPERTY TAX PUBLIC HEARING

The Commission held a public hearing pursuant to KRS regarding the real property tax levy rate. Finance Director Jon Perkins reported the property tax rate will remain the same as last year's rate of \$0.255 per \$100 assessed value.

No one from the public gave comments.

Mayor Kaler closed the hearing.

PRESENTATION

Patience Renzulli, spoke on behalf of the Lower Town Neighborhood Association, about the deteriorated condition of the house located at 304 North 6th Street. They would like to see the home historically preserved and would like assistance from the City. The home was built before the Civil War and in 1956 was the location for the "lying in repose" of Vice President Alben Barkley. Anne Gwinn of Growth, Inc. relayed Growth's unanimous endorsement of the Lower Town Neighborhood Association's request to help save the home and wants the City to enforce the historical zoning ordinance.

MINUTES

Commissioner Abraham offered motion, seconded by Commissioner Wilson, that the reading of the Minutes for the September 20, 2016, City Commission meeting be waived and that the Minutes of said meeting prepared by the City Clerk be approved as written.

Adopted upon call of the roll, yeas, Commissioners Abraham, Rhodes, Wilson and Mayor Kaler (4).

MUNICIPAL ORDER

PERSONNEL ACTIONS

Commissioner Rhodes offered motion, seconded by Commissioner Wilson, that upon the recommendation of the City Manager, the Board of Commissioners of the City of Paducah order that the personnel changes on the attached list be approved.

(SEE MUNICIPAL ORDER BOOK)

Adopted upon call of the roll, yeas, Commissioners Abraham, Rhodes, Wilson, and Mayor Kaler (4).

ORDINANCES – ADOPTION

ACCEPT 2015-2016 ASSISTANCE TO FIREFIGHTERS GRANT

Commissioner Wilson offered motion, seconded by Commissioner Rhodes, that the Board of Commissioners adopt an Ordinance, "AN ORDINANCE OF THE CITY OF PADUCAH

SEPTEMBER 27, 2016

ACCEPTING A 2015-2016 ASSISTANCE TO FIREFIGHTERS MATCHING GRANT FROM THE KENTUCKY OFFICE OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY FOR THE PADUCAH FIRE DEPARTMENT, AND AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL AGREEMENTS RELATING TO SAME.” This ordinance is summarized as follows: That the City of Paducah hereby accepts grant funds in the amount of \$87,455 through the Kentucky Office of Homeland Security, Federal Emergency Management Agency for a 2015/2016 Assistance to Firefighters Matching Grant Award for the Fire Ground Survival Program sponsored by the Paducah Fire Department. Further, the Mayor is hereby authorized to execute a Grant Agreement and all documents relating to same.

Adopted upon call of the roll, yeas, Commissioners Abraham, Rhodes, Wilson, and Mayor Kaler (4). ORD.#2016-9-8429; BK 34

APPROVE PURCHASE OF ONE (1) FRONT-LOADING REFUSE TRUCK

Commissioner Abraham offered motion, seconded by Commissioner Wilson, that the Board of Commissioners adopt an Ordinance entitled, “AN ORDINANCE ACCEPTING THE BID OF McBRIDE MACK, INC., FOR SALE TO THE CITY OF ONE, NEW 2017 FRONT-LOADING REFUSE COLLECTION CHASSIS AND BODY FOR USE BY THE SOLID WASTE COLLECTION SYSTEM, AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR SAME.” This ordinance is summarized as follows: The City of Paducah accepts the bid of McBride Mack, Inc., in the amount of \$233,119.00, for sale to the City of one, new 2017 front-loading refuse collection chassis and body, and authorizes the Mayor to execute a contract for same.

Adopted upon call of the roll, yeas, Commissioners Abraham, Rhodes, Wilson, and Mayor Kaler (4). ORD#2016-9-8430; BK 34

FIRE STATION #2 PLUMBING RENOVATION PROJECT

Commissioner Rhodes offered motion, seconded by Commissioner Wilson, that the Board of Commissioners adopt an Ordinance entitled, “AN ORDINANCE ACCEPTING THE BID OF M. P. LAWSON CONSTRUCTION, LLC FOR PLUMBING RENOVATION FOR FIRE STATION #2, AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR SAME.” This ordinance is summarized as follows: The City of Paducah accepts the bid of M. P. Lawson Construction, LLC in the amount of \$74,787.00 for plumbing renovations to Fire Station #2, located at 3000 Wayne Sullivan Drive, and authorizes the Mayor to execute a contract for same.

Adopted upon call of the roll, yeas, Commissioners Abraham, Rhodes, Wilson, and Mayor Kaler (4). ORD.#2016-9-8431; BK 34

AMEND DOG ORDINANCE

Commissioner Wilson offered motion, seconded by Commissioner Rhodes, that the Board of Commissioners adopt an Ordinance entitled, “AN ORDINANCE AMENDING SECTION 14-32, DOGS PERMITTED AT SPECIAL COMMUNITY EVENTS; RESTRICTIONS, OF CHAPTER 14, ANIMALS, OF THE CODE OF ORDINANCES OF THE CITY OF

SEPTEMBER 27, 2016

PADUCAH, KENTUCKY.” This Ordinance is summarized as follows: The City hereby amends Section 14-32, Dogs Permitted at Special Community Events; Restrictions, of Chapter 14, Animals, of the Paducah Code of Ordinances to eliminate the requirement that dogs be restrained by an open ended-muzzle at special community events.

Adopted upon call of the roll, yeas, Commissioners Rhodes, Wilson, and Mayor Kaler (3). Nays, Commissioner Abraham (1). ORD.#2016-9-8432; BK 34

ORDINANCES – INTRODUCTION

SET FY2017 PROPERTY TAX RATE (LEVY)

Commissioner Abraham offered motion, seconded by Commissioner Wilson, that the Board of Commissioners introduce an Ordinance entitled, “AN ORDINANCE FIXING THE LEVIES AND RATES OF TAXATION ON ALL PROPERTY IN THE CITY OF PADUCAH, KENTUCKY, SUBJECT TO TAXATION FOR MUNICIPAL PURPOSES AND FOR SCHOOL PURPOSES FOR THE PERIOD FROM JULY 1, 2016, THROUGH JUNE 30, 2017, WITH THE PURPOSES OF SAID TAXES HEREUNDER DEFINED”.

<u>PURPOSE</u>	<u>RATE PER \$100.00</u>
<u>General Fund of the City</u>	
Real Property	\$0.255
Personal Property	\$0.390
Motor Vehicles & watercraft	\$0.390
<u>School Purposes</u>	
Paducah Junior College	
Real Estate	\$0.017
Personal Property	\$0.017
Motor Vehicles & watercraft	\$0.031
The City of Paducah shall collect the following taxes for the Board of Education:	
Paducah Independent School District	
Real Property	\$0.799
Personal Property	\$0.799
Inventory	\$0.799
Total Tax Rate per \$100 - real property	\$1.071
Total Tax Rate per \$100 - personal property	\$1.206
Total Tax Rate per \$100 – inventory	\$0.799
Total Tax Rate per \$100 – motor vehicle & watercraft	\$0.421

Property taxes levied herein shall be due and payable in the following manner:

SEPTEMBER 27, 2016

In the case of tax bills which reflect an amount due of less than Six Hundred Fifty Dollars (\$650.00), the payment shall be due on November 1, 2016, and shall be payable without penalty and interest until November 30, 2016.

In the case of all other tax bills, payment shall be in accordance with the following provisions:

- The first half payment shall be due on November 1, 2016, and shall be payable without penalty and interest until November 30, 2016.
- The second half payment shall be due on February 1, 2017, and shall be payable without penalty and interest until February 28, 2017.

ACCEPT THE NEA ARTS ENGAGEMENT IN AMERICAN COMMUNITIES GRANT AWARD

Commissioner Rhodes offered motion, seconded by Commissioner Wilson, that the Board of Commissioners introduce an Ordinance entitled, "AN ORDINANCE APPROVING A GRANT AGREEMENT WITH THE NATIONAL ENDOWMENT FOR THE ARTS FOR AN ARTS ENGAGEMENT IN AMERICAN COMMUNITIES PROGRAM AWARD FOR THE INSTALLATION OF A BRANDED WAY-FINDING SIGNAGE, AND AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL NECESSARY DOCUMENTS RELATED TO THE GRANT." This ordinance is summarized as follows: That the City of Paducah hereby approves a Grant Agreement with the National Endowment for the Arts to obtain an Arts Engagement in American Communities Program award in the amount of \$10,000 for the installation of branded way-finding signage for Paducah's downtown and Lower Town Arts District. Further, the Mayor is hereby authorized to execute the agreement and all documents related to the grant.

W.B. SANDERS APARTMENTS AND JACKSON HOUSE ASSESSMENT AND REASSESSMENT MORATORIUM

Commissioner Wilson offered motion, seconded by Commissioner Rhodes, that the Board of Commissioners introduce an Ordinance entitled, "AN ORDINANCE CONDITIONALLY GRANTING AND APPROVING THE W.B. SANDERS RETIREMENT CENTER AND JACKSON HOUSE APARTMENTS PROPERTY ASSESSMENT AND REASSESSMENT MORATORIUM FOR CITY OF PADUCAH TAXES AND AUTHORIZING THE DIRECTOR OF PLANNING TO ADMINISTER THE MORATORIUM." This ordinance is summarized as follows: This Ordinance authorizes the City of Paducah, Kentucky (the "City") to grant and approve the W.B. Sanders Retirement Center and Jackson House Apartments Property Assessment and Reassessment Moratorium pursuant to KRS, 99.595 through 99.605 and KRS 132.452; provided certain conditions are fully satisfied by the occupant/owner, in order to encourage the repair, rehabilitation, restoration or stabilization of existing residential buildings generally known as the Jackson House Apartments and the W.B. Sanders Retirement Center located at 300 and 301 South 9th Street, Paducah, McCracken County, Kentucky.

PURCHASE ONE (1) TELESCOPING AERIAL TRUCK FOR EPW MAINTENANCE

SEPTEMBER 27, 2016

Commissioner Abraham offered motion, seconded by Commissioner Wilson, that the Board of Commissioners introduce an Ordinance entitled, "AN ORDINANCE AUTHORIZING THE PURCHASE OF ONE (1) AERIAL BUCKET TRUCK FOR USE BY THE ENGINEERING-PUBLIC WORKS DEPARTMENT/MAINTENANCE DIVISION, AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR SAME." This ordinance is summarized as follows: The City of Paducah hereby authorizes the Finance Director to pay the total sum of \$106,590.00 to Altec, Inc., for the purchase of one (1) 2016 Ford Chassis with an Altec Model AT37G telescoping aerial device for use by the Engineering-Public Works Department/Maintenance Division, and authorizes the Mayor to execute a contract for same.

AUTHORIZATION TO QUITCLAIM ANY OWNERSHIP INTEREST THE CITY MAY HAVE OF TWO REMNANT PROPERTIES ADJACENT TO THE FLOODWALL

Commissioner Rhodes offered motion, seconded by Commissioner Wilson, that the Board of Commissioners introduce an Ordinance entitled, "AN ORDINANCE DECLARING FLOODWALL REMNANTS AS SURPLUS PROPERTY AND APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE PLAT AND QUITCLAIM DEEDS TO THE CURRENT PROPERTY OWNERS ADJOINING THE SURPLUS PROPERTY FOR ECONOMIC DEVELOPMENT PURPOSES." This ordinance is summarized as follows: This Ordinance authorizes the City of Paducah to execute a plat and quitclaim deeds to quitclaim the Surplus Property to the current land owners of the parent tract from which the Surplus Property was carved, without consideration for purposes of economic development.

ADOPTED: October 4, 2016

City Clerk

Mayor

OCTOBER 4, 2016

I move that the following documents be received and filed:

DOCUMENTS

1. Quitclaim Deed with Donald Pollender for 434 Ohio Street (MO# 1922)
2. Contracts/Agreements:
 - a. Short Form Agreement with HDR Engineering for professional services for the Broadway/Jefferson Two Way Conversion with Bike Lanes Project (ORD 2016-9-8413)
 - b. First Amendment to Agreement with Freedom Waste Service, LLC for Transfer, Transport and Disposal of Municipal Solid Waste (ORD 2016-9-8417)
 - c. Agreement with Paducah Ford to Purchase Ten (10) Police Pursuit Rated SUV's (ORD 2016-9-8423)
 - d. Contract with Wilson Office Solutions for office furniture for the Paducah Police Department Annex Building (ORD 2016-9-8428)
 - e. Agreement, Contract Change Order, Notice to Proceed and Notice of Award with MP Lawson Construction, LLC for the Noble Park Tennis Courts Restroom Facility Project (ORD 2016-9-8427)
3. Paducah Water Works Financial Statements for period ended August 31, 2016

A MUNICIPAL ORDER ESTABLISHING POLICY FOR USE OF SPENDING CREDITS TOWARDS THE PURCHASE OF CERTAIN BENEFITS SUCH AS HEALTH, DENTAL OR VISION PURSUANT TO THE CITY'S GROUP HEALTH INSURANCE PLAN

BE IT ORDERED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PADUCAH, KENTUCKY:

Section 1. To be eligible for the benefits provided in Section 2, employees must timely enroll in that portion of the City's group health insurance plan referred to as medical and prescription drug coverage. The City shares the cost of medical, prescription drug, dental and vision coverage with the City employees by contributing \$8,724 per employee ("base credit") to be used under the Plan and other applicable credits which may be earned pursuant to the applicable City policy.

Section 2. All eligible employees who timely apply for coverage under the City's group health insurance plan (medical and prescription drug coverage) shall be permitted to redirect any unspent employer contribution toward the applicable pre-tax vehicle (HSA, FSA, HRA) subject to all applicable federal and state laws and regulations and as may be amended from time to time by order of the Board of Commissioners. Any changes requested by the employee due to change in family status shall be considered on a pro-rata basis from the effective date of timely enrollment pursuant to the plan documents of any affected benefit plan.

Section 3.

A. Employees who opt out of the City's group health insurance, who were hired prior to January 1, 2014, and can show proof of coverage under another sponsored group health insurance plan shall receive an employer contribution of \$2,850. New participants to the waiver credit, with a hire date after January 1, 2014 are subject to a \$500 maximum employer contribution which can be applied to an HRA, deposited on an as accrued basis, as established by the City and which can be amended from time to time by order of the Board of Commissioners. In the event the City in its sole discretion does not accept the creditability of the spouse's employer-sponsored group health insurance plan, other group sponsored health insurance plan, or non-group sponsored health insurance plan, and the employee chooses to remain covered under such group health insurance plan, then such employee shall be governed under the procedures established in Section 4.

B. All eligible employees who opt out of the City's group health insurance plan to enroll in a health insurance plan that is not under a spouse's employer-sponsored group health insurance or other group sponsored health insurance plan shall not be permitted to an employer contribution of any unspent

health insurance credits.

Section 4. All eligible employees who opt out of the City's group health insurance plan (medical and prescription drug coverage) for any reason other than those stated in Section 3 above, shall not be entitled to an employer contribution of unspent credits.

Section 5. All eligible employees and their spouse may receive the maximum wellness credit that can be earned and that is \$2,250 for an employee and \$1,000 for a spouse.

Section 6. For all employees who subsequently become eligible for coverage under the City's group health insurance plan because of initial employment or a qualifying event (i.e., change in family status), and is timely enrolled under the Plan or opts out of the Plan, shall be governed under the same procedures described in Sections 1-4 above, except any benefits shall be applied on a pro-rata basis.

Section 7. Except as provided under the applicable plan document covering any benefit plan, or HIPAA's special enrollment rights or the United States Internal Revenue Code, or any other applicable federal or state law or regulation, or any participant in the City's group health plan as described in Section 2 or any employee who has opted out of the plan as described in Sections 3 or 4 above, shall be precluded from making any changes to pre-tax elections (HSA, FSA, HRA) once the plan year starts except as otherwise permitted by this Municipal Order.

Section 8. This Order shall be in full force and effect from and after the date of its adoption.

Mayor

ATTEST:

Tammara S. Sanderson, City Clerk

Adopted by the Board of Commissioners, October 4, 2016
Recorded by Tammara S. Sanderson, City Clerk, October 4, 2016
\mo\ins policy credits 2017

Agenda Action Form Paducah City Commission

Meeting Date: October 4, 2016

Short Title: Health Insurance Benefit Plan Premiums for 2017

Ordinance Emergency Municipal Order Resolution Motion

Staff Work By: Missi Dotson, Steve Doolittle, Greg Carlton
Presentation By: Martin Russell

Background Information:

The following reflect the recommended monthly health insurance premiums, by plan, for the 2017 Calendar year. These are the rates, as presented earlier by Greg Carlton, of Peel and Holland, which are flat to last year. These premiums allow us to keep our grandfathered status which offers protection to both the employer and the employee and allow us to maintain an acceptable escrow level to cover expected claims and plan costs. As a further note, regarding the City's health insurance premium, there have only been two increases to cost in the last eight years.

Health Insurance:

Investor Plan	Monthly Premium	Elite Plan	Monthly Premium
Employee	\$ 781	Employee	\$ 856
Employee/Spouse	\$ 969	Employee/Spouse	\$1,139
Employee Child	\$ 825	Employee Child	\$ 974
Family	\$1,118	Family	\$1,319

Dental Premium:

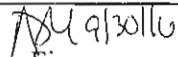
Delta Dental	Monthly Premium
Employee	\$23.88
Employee/Spouse	\$48.72
Employee Child	\$50.96
Family	\$82.90

Vision Premium:

Blue View Vision	Monthly Premium
Employee	\$ 5.97
Employee/Spouse	\$10.45
Employee Child	\$11.35
Family	\$17.32

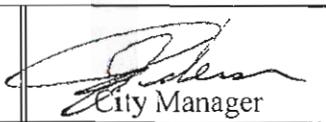
Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name: Health Insurance Premiums
Account Number: 073-0208-542.20-08


 Finance

Staff Recommendation: Approve the above listed premiums for Health Insurance, Vision, and Dental.

Attachments:

 Department Head	City Clerk	 City Manager
--	------------	--

MUNICIPAL ORDER NO. _____

A MUNICIPAL ORDER APPROVING AND ADOPTING THE
COMPREHENSIVE HEALTH INSURANCE BENEFIT PLAN PREMIUMS FOR
CALENDAR YEAR 2017 INCLUDING PREMIUMS FOR OPTIONAL DENTAL AND
VISION CARE FOR EMPLOYEES OF THE CITY OF PADUCAH

BE IT ORDERED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the City of Paducah approves and adopts the following
monthly health insurance premiums for calendar year 2017 including premiums for optional
dental and vision care for employees:

Health Insurance:

Investor Plan	Monthly Premium	Elite Plan	Monthly Premium
Employee	\$ 781	Employee	\$ 856
Employee/Spouse	\$ 969	Employee/Spouse	\$1,139
Employee Child	\$ 825	Employee Child	\$ 974
Family	\$1,118	Family	\$1,319

Proposed Dental Premium:

Delta Dental	Monthly Premium
Employee	\$23.88
Employee/Spouse	\$48.72
Employee Child	\$50.96
Family	\$82.90

Proposed Vision Premium:

Blue View Vision Care	Monthly Premium
Employee	\$ 5.97
Employee/Spouse	\$10.45
Employee Child	\$11.35
Family	\$17.32

SECTION 2. That the premiums for the Comprehensive Health Insurance Benefit
Plan for Employees approved and adopted in Section 1 above shall become effective January 1,
2017.

SECTION 3. This order shall be in full force and effect from and after the date of
its adoption.

Mayor

ATTEST:

Tammara S. Sanderson, City Clerk

Adopted by the Board of Commissioners, October 4, 2016
Recorded by Tammara S. Sanderson, City Clerk, October 4, 2016
\\mo\premiums-health ins 2017

Agenda Action Form

Paducah City Commission

Meeting Date: September 27, 2016

Short Title: **Setting Tax Levies: Ad Valorem Properties -- FY2017**

Ordinance Emergency Municipal Order Resolution Motion

Staff Work By: Jonathan Perkins

Presentation By: Jonathan Perkins

Background Information:

Real estate and personal property tax levies for the City's General Fund and Paducah Junior College (PJC) as well as another (non-City) tax jurisdiction, the Paducah Independent School District, are proposed to be set as per the attached ordinance. Please refer to exhibits 1-3 for a history of the ad valorem tax levies for real estate (*exhibit 1*), personal (*exhibit 2*) & inventory (*exhibit 3*).

The City's General Fund real estate tax levy is proposed to be \$25.5 cents per \$100 AV. The proposed FY2017 rate is 56% of what the rate was in FY1995, when the City starting making a conscious effort to lower real estate tax rates (*see exhibit 1*).

The City's General Fund personal tax levy is proposed to be \$39 cents per \$100 AV. The proposed FY2017 rate is 23% less than the FY1995 rate (*see exhibit 2*).

The City and PJC eliminated inventory taxes (*see exhibit 3*) on businesses in order to encourage business growth in Paducah many years ago. As you may recall, the City's inventory rate was phased out over a four-year period, 1998 through 2002, and fully eliminated in FY2003. The inventory tax revenue would have been nearly \$1.0 million in FY2017, if it were still in place today.

Staff proposes the City's tax levy be set at 25.5 cents per \$100 assessed value (AV), the same rate as last year (FY2016). The FY2017 compensating rate is 25.4 cents per \$100 AV and Kentucky Revised Statutes (KRS) permits a city to adjust the compensating rate upward by not more than 4%, in this case to 26.4 cents. The City of Paducah is proposing to take an amount less than the 4% allowed by KRS, as it has many times in the past (*see chart A*).

From FY2001 to FY2017, the City of Paducah has dropped its real estate tax levy by 4.5 cents, while the School District tax levy increased 20.2 cents (*see chart B*). The Paducah Independent School District real estate levy will decrease 0.1 cents to 79 and 9/10 cents/\$100 AV. While Paducah's levy was 25.5 cents last year, in a survey of 18

Kentucky cities last fall, it was established that Paducah's rate was less than the group's average (\$.2749). The historical average (FY2012-FY2016) of property tax rates for the cities surveyed leveled off over last year (see chart C). Last year, Paducah's rate was nearly 2 cents below the group's average of 27.5 cents.

The property tax levy ordinance will be introduced on September 27, 2016 with the second and final reading on October 4, 2016. Since the City's proposed tax levy is greater than the 'compensating rate' of 25.4 cents per \$100 AV, a public hearing is required; a public hearing is scheduled for September 27, 2016.

Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name: N/A
Account Number: N/A

9/23/2016
Finance

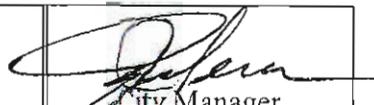
Staff Recommendation:

Recommend that the Mayor and Commission adopt the proposed 2016-2017 real estate and personal ad valorem tax levies as proposed.

Motion:

I move that an ordinance setting the levies and rates of taxation on all property in the City of Paducah, Kentucky, subject to taxation for municipal purposes and for school purposes for the period from July 1, 2016, through June 30, 2017, be adopted.

Attachments: Tables of Historic Tax Levies (3); Charts (3)

Department Head	City Clerk	 City Manager
-----------------	------------	--

Agenda Action Form Paducah City Commission

Meeting Date: 27 September 2016

Short Title: National Endowment for the Arts – Arts Engagement in American Communities Program

Ordinance Emergency Municipal Order Resolution Motion

Staff Work By: Steve Ervin, Melinda Winchester, Sheryl Chino

Presentation By: Steve Ervin

Background Information: Arts Engagement in American Communities (AEAC) supports arts projects in all artistic disciplines, extending the National Endowment for the Arts' reach to communities across the United States. These grants will engage the public in diverse and excellent art in geographic areas underrepresented in our grant making portfolio. Grants are available for professional arts programming, including the presentation of artists or artworks, marketing and promotional activities, educational programs, and organizational planning. All AEAC grants are for \$10,000, and require a minimum \$10,000 match with non-federal support.

On April 5, 2016, the Board of Commissioners approved the submitted of the AEAC application through municipal order 1899.

The Paducah Planning Department has been awarded \$10,000 from the AEAC program for the installation of a branded wayfinding system. Installation of signs will be strategically placed at key locations throughout downtown and the Lower Town Arts District. Additional signage is also needed for strategically directing visitors to key cultural and artistic attractions. The City will be providing a \$10,000 cash match for the project. The grant period is from October 1, 2016 through September 30, 2017. All project activities must be complete within that time period.

Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name:
Account Number: 040-4411-592.23-07
Project Number: MR0056

 9/23/2016
Finance

Staff Recommendation: Authorize and direct the Mayor to sign all required grant related documents.

Attachments: None

 Department Head	City Clerk	 City Manager
--	------------	--

* - RAMP Way Finding

Agenda Action Form

Paducah City Commission

Meeting Date: September 27, 2016

Short Title: W.B. Sanders Apartments and Jackson House Assessment and Reassessment
Moratorium

Ordinance Emergency Municipal Order Resolution

Staff Work By: Stephen Ervin, Joshua P. Sommer

Presentation By: Stephen Ervin

Background Information:

The intent of this agenda item is to adopt an ordinance establishing an assessment and reassessment moratorium for the W.B. Sanders Apartments and the Jackson House. KRS 99.595 through 99.605 and KRS 132.452 permit local governments to establish a property assessment and reassessment moratorium for qualifying properties.

The Department of Planning proposes to take advantage of these statutes to encourage the repair, rehabilitation, restoration or stabilization of these two properties, located at 300 and 301 South 9th Street, respectively.

The property tax moratorium defers the value of improvements to an existing building from the taxable assessment of the property for five years, rather than being raised to reflect a higher assessment resulting from improvements made to the property. The proposed moratorium does not affect any other property taxes such as McCracken County taxes, school, library, etc.

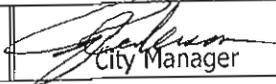
Both properties are eligible for the proposed moratorium pursuant to KRS 99.595 (3). The W.B. Sanders apartments must have a minimum investment of \$3.5 million and the Jackson House a minimum investment of \$11 million. These numbers were gathered from Beacon Property Management, who is contemplating major improvements to both buildings.

Funds Available: Account Name: N/A
Account Number: N/A

Finance

Motion:

Attachments:

 Department Head	City Clerk	 City Manager
--	------------	--

Agenda Action Form Paducah City Commission

Meeting Date: September 27, 2016

Short Title: Purchase of One (1) 2016 Ford F550 Chassis with an Altec Model AT37G telescoping aerial device to be used by the EPW Maintenance Division.

Ordinance Emergency Municipal Order Resolution Motion

Staff Work By: Randy Crouch, EPW Maintenance Supt.
Dena Alexander, EPW Admin Asst. III

Presentation By: Rick Murphy, P.E., City Engineer-Public Works Director

Background Information:

In accordance with the adopted Fleet Plan Budget, a new Telescoping Aerial Truck was authorized to be purchased for use in the EPW Maintenance Division. The authorized Kentucky State Contract vendor for an Altec Model AT37G telescoping aerial device to be used by the EPW Maintenance Division is Altec, located in Birmingham, AL with a quoted a price of \$106,590.00.

The Kentucky Master Agreement number is MA #605 160000497 1

Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name: Rolling Stock/Vehicles
Fleet Lease Trust Fund

Account Number: 071-0210-542-4005

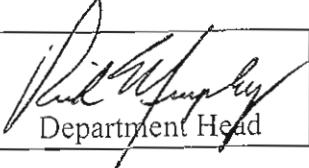
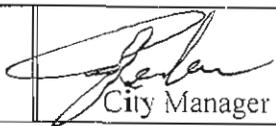
9/23/2016
Finance

Staff Recommendation:

To authorize the purchase of a One (1) 2016 Ford F550 Chassis with an Altec Model AT37G telescoping aerial device to be purchased for use in the EPW Maintenance Division from Altec, for a quoted price of \$106,590.00.

Attachments:

Quote and KY Master Agreement Information

 Department Head	City Clerk	 City Manager
--	------------	--

Agenda Action Form

Paducah City Commission

Meeting Date: September 27, 2016

Short Title: Authorization to Quitclaim any Ownership Interest the City may have of two Remnant Properties adjacent to the Floodwall to the two adjacent Property Owners

Ordinance Emergency Municipal Order Resolution Motion

Staff Work By: Angela Weeks, EPW Proj Mgr

Presentation By: Rick Murphy, P.E., City Engineer-Public Works Director

Background Information:

Recently, my office received a question regarding ownership of a certain 20' strip private roadway adjacent to the Floodwall property near John Puryear Drive. Previously, the 20' by 400' strip of property appeared to be an easement acquired from the Paducah and Illinois Railroad Company. However, after researching the Floodwall records, the ownership became contradictory.

During 1938, the City of Paducah was in the process of acquiring property in the vicinity of Husbands Road for the "C" portion of the proposed Floodwall. On January 26, 1939, the City acquired an easement over a 400' portion of a 20' strip of land owned by the Paducah and Illinois Railroad Company. This 20' property was previously acquired by the P&I RR in 1913 to be used as a private right of way for a road. The original Floodwall maps indicated that P&I RR owned the property.

However, within the Floodwall records a title search dated 1938 was found which indicated a conveyance deed granted prior to the conveyance to the P&I RR, was not recorded; and therefore, P&I RR did not have full rights to the property. Consequently, on January 26, 1939, (the same recording date of the P&I RR deed), J. Lawrence Jones and his wife Clara Jones conveyed a 20' x 400' strip of property to the City. Further, recent case law in Kentucky calls into question the ownership rights of railroads upon abandonment of railway lines. P&I RR railway lines affecting the 20' strip of land have been abandoned.

Upon corporate consultation, it is the opinion of Lisa Emmons, with Denton Law Firm, that the City holds some ownership interest in the 20" strip of land and not only an easement from P&I RR.

Recently, Lots of Wheels, LLC acquired the adjacent property along John Puryear Drive as well as whatever interest P&I RR had in and to the 20' strip land and is now requesting that the City consider quitclaiming and releasing a remnant portion of the 20' strip by approximately 30' that is located outside the Floodwall right of way. The Floodwall does not require this area outside of the Floodwall. Additionally, the Floodwall does not require the 20' strip by approximately 235' portion on the opposite side of the Floodwall with is adjacent to property owned by MAEGAH Properties & Development, Inc.

Therefore, Commission approval is requested in order to quitclaim any ownership interest that the City may have to the two 20' strips of remnant property that are no longer required for Floodwall purposes to the adjacent property owners; and to authorize the preparation and execution of a plat and the two quitclaims in order to finalize the quitclaim action to the two adjacent property owners.

Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name:
Account Number:

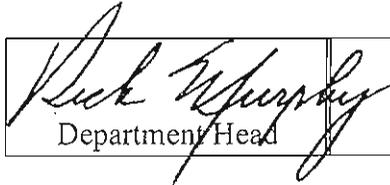
Finance

Staff Recommendation:

To adopt an Ordinance to quitclaim any ownership interest that the City may have to the two 20' strips of remnant property that are no longer required for Floodwall purposes to the adjacent property owners; and to authorize the preparation and execution of a plat and the two quitclaims in order to finalize the quitclaim process to the two adjacent property owners.

Attachments:

Floodwall Plat indicating the two 20' strips of remnant property

 Department Head	City Clerk	City Manager
---	------------	--------------

Agenda Action Form

Paducah City Commission

Meeting Date: October 4, 2016

Short Title: Strawberry Hill Development final plat and ROW acceptance

Ordinance Emergency Municipal Order Resolution

Staff Work By: Stephen Ervin, Joshua P. Sommer

Presentation By: Sheryl Chino

Background Information:

On September 19, 2016; the Paducah Planning Commission approved a Final Subdivision Plat for Tract 9 in the Strawberry Hill Development. The intent of this plat is to accept the James Sanders Boulevard Right-of-Way, thereby creating tract 9e and 9d for future development.

The City of Paducah Engineering Department has received and approved a cashier's check in the amount of \$80,000 for road construction surety.

Funds Available: Account Name: N/A
 Account Number: N/A

Finance

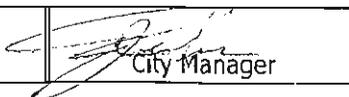
Motion:

Attachments:

Planning Commission Resolution

Cashier's Check

Final Subdivision Plat of Tract 9 of the Strawberry Hill Development

 Department Head	City Clerk	 City Manager
--	------------	--

ORDINANCE NO. 2016-10-_____

AN ORDINANCE APPROVING THE FINAL REPORT OF THE PADUCAH PLANNING COMMISSION ON THE PROPOSED FINAL SUBDIVISION FOR PROPERTY LOCATED AT 4600 VILLAGE SQUARE DRIVE, 2550 & 2551 JAMES SANDERS BLVD AND 2670 PERKINS CREEK DRIVE; ACCEPTING THE DEDICATION OF RIGHT OF WAY OF JAMES SANDERS BOULEVARD; ACCEPTING PUBLIC UTILITY EASEMENTS; AND AUTHORIZING THE MAYOR TO SUBSCRIBE A CERTIFICATE OF APPROVAL ON THE PLAT

WHEREAS, the Paducah Planning Commission held a public hearing on August 20, 2012, and adopted a preliminary subdivision plan for property located at 4600 Village Square Drive; and

WHEREAS, by Resolution dated September 19, 2016, the Paducah Planning Commission recommends to the Board of Commissioners the adoption of an ordinance approving the revised final plat of subdivision of property of Strawberry Hill, LLC, and accepting the dedication of right of way of James Sanders Boulevard; and

WHEREAS, the City Engineer has received and approved a cashier's check in the amount of \$80,000.00, for completion of public roadways, storm drainage systems, and other designated public improvements, in accordance with the proposed subdivision plan and the City's specifications.

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That a resolution adopted by the Paducah Planning Commission on September 19, 2016, entitled, "A RESOLUTION CONSTITUTING THE FINAL REPORT OF THE PADUCAH PLANNING COMMISSION ON THE PROPOSED FINAL SUBDIVISION FOR PROPERTY LOCATED AT 4600 VILLAGE SQUARE DRIVE, 2550 & 2551 JAMES SANDERS BOULEVARD AND 2670 PERKINS CREEK DRIVE", be approved as the final report of said Commission respecting the matters set forth therein.

SECTION 2. That the subdivision of said property shall be, and it is hereby, approved as shown on the plat referred to in said subdivision, which plat is entitled, "Final

Subdivision Plat of Tract 9 of the Strawberry Hill Development”, and said property is hereby declared to be subdivided as shown on said plat.

SECTION 3. That the City hereby accepts a cashier’s check in the amount of \$80,000.00, for completion of public roadways, storm drainage systems, and other designated public improvements in accordance with the proposed subdivision plan and the City’s specifications.

SECTION 4. That the dedication of the public right-of-way and public utility easements shown on said plat shall be, and they are hereby, accepted and shall be maintained by the City of Paducah, but such acceptance shall not constitute an undertaking on the part of this Board or the City of Paducah, Kentucky, for the construction or improvements of said right-of-way. The Mayor is hereby authorized to subscribe a certificate of approval on the plat.

SECTION 5. That if any section, paragraph or provision of this ordinance shall be found to be inoperative, ineffective or invalid for any cause, the deficiency or invalidity of such section, paragraph or provision hereof, it being the purpose and intent of this ordinance to make each and every section, paragraph or provision hereof, it being the purpose and intent of this ordinance to make each and every section, paragraph and provision hereof separable from all other sections, paragraphs and provisions.

SECTION 6. This ordinance shall have two separate readings and will become effective upon summary publication pursuant to KRS Chapter 424.

Mayor

ATTEST:

Tammara S. Sanderson, City Clerk

Introduced by the Board of Commissioners, October 4, 2016
Adopted by the Board of Commissioners, October 11, 2016
Recorded by Tammara S. Sanderson, City Clerk, October 11, 2016
Published by The Paducah Sun, _____
\ord\plan\subd-Strawberry Hills-Tract 9-James Sanders Blvd

Agenda Action Form

Paducah City Commission

Meeting Date: October 4, 2016

Short Title: Administrative Services and Stop Loss Insurance with Anthem Blue Cross Blue Shield

Ordinance Emergency Municipal Order Resolution Motion

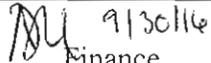
Staff Work By: Missi Dotson, Steve Doolittle, Greg Carlton
Presentation By: Martin Russell

Background Information:

Greg Carlton of Peel and Holland recommends that the city continue with Anthem Blue Cross Blue Shield for the 2017 plan year, effective January 1, 2017 as the City's Third Party Administrator (TPA) to provide claims administrative services related to the City's health insurance plan. Remaining with Anthem offers the best overall option for quality of plans, administrative services and competitive rates and factors. A summary of Anthem's administrative fees, rates and factors is attached. In addition, since January 1, 2011 the City of Paducah has purchased stop loss insurance with Anthem to protect the City's health insurance plan in the event of a catastrophic claim(s). It is recommended, for the 2017 plan year beginning on January 1, 2017, the Commission adopt an agreement with Anthem to purchase stop loss insurance which is set at a \$175,000 maximum city liability per person (individual stop loss), Anthem assumes liability for all claims in excess of this amount, and \$2,915,561.88 maximum city liability of total claims combined (aggregate stop loss limit), Anthem assumes liability for all claims in excess of the aggregate total up to \$1,000,000. Premium rates are \$86.52 per member per month for individual stop loss insurance, which is a decrease of 22.5% from last year, and \$6.67 per member per month for aggregate stop loss insurance, which is a minimal increase of 3%.

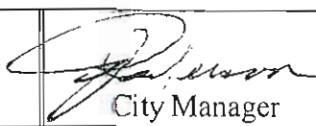
Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name: Health Insurance Administrative
Account Number: 073-0208-542.20-01


Finance

Staff Recommendation: Authorize the Mayor to execute ASO agreement with Anthem Blue Cross Blue Shield for administrative services and stop loss insurance.

Attachments: ASO

 Department Head	City Clerk	 City Manager
--	------------	--

AN ORDINANCE ACCEPTING THE RATES FOR STOP LOSS INSURANCE COVERAGE WITH ANTHEM BLUE CROSS BLUE SHIELD FOR THE GROUP HEALTH INSURANCE PLAN FOR THE CITY OF PADUCAH, KENTUCKY FOR THE 2017 CALENDAR YEAR AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR SAME

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the City of Paducah accepts the rates offered through Anthem Blue Cross Blue Shield for Stop Loss Insurance Coverage for the group health insurance plan for the City of Paducah, Kentucky. Effective January 1, 2017 the stop loss rates are as follows:

- 1) Individual Stop Loss - \$175,000 maximum City liability per person with a monthly rate of \$86.52 per member; and
- 2) Aggregate Stop Loss - \$2,915,561.88 maximum City liability of total claims combined with a monthly rate of \$6.67 per member.

SECTION 2. The Mayor is hereby authorized to execute a contract with Anthem Blue Cross Blue Shield for coverage authorized in Section 1 above.

SECTION 3. This expenditure will be charged to the Health Insurance Administrative Fund, account number 073-0208-542-2001.

SECTION 4. This ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

Mayor

ATTEST:

Tammara S. Sanderson, City Clerk

Introduced by the Board of Commissioners, October 4, 2016

Adopted by the Board of Commissioners, October 11, 2016

Recorded by Tammara S. Sanderson, City Clerk, October 11, 2016

Published by the Paducah Sun, _____

\\Ord\pers\health ins-stop loss coverage 2017

ASO

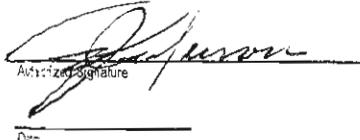
City of Paducah

Group Number(s): 00210630

Effective Date: 01/01/2017 - 12/31/2017



ENROLLMENT	EE Only	EE + Spouse	EE + Child(ren)	EE + Family	Total Contracts
Total Number of Current Contracts	133	32	41	63	269
ANTHEM ADMINISTRATIVE RATES					
	Current	Renewal - No Laser			
Administrative Rate	\$42.19	\$43.03	2.00%		
Credit to Administrative Vendor	\$0.00	-\$1.00			
TOTAL FIXED COST - PEPM	\$42.19	\$42.03	-0.40%		
Total [12 Month Contract Period] Premium	\$136,189.32	\$135,672.84			
BROKER COMMISSION					
	Current	Renewal - No Laser			
Broker Commission Fee	\$0.00	\$0.00			
Total [12 Month Contract Period] Premium	\$0.00	\$0.00			
SPECIFIC STOP LOSS					
	Current	Renewal - No Laser			
Benefits Covered	Medical and Drug	Medical and Drug			
Contract Basis	Paid Basis	Paid Basis			
Specific Stop Loss Deductible - Per Member	\$175,000	\$175,000			
Specific Stop Loss Rate	\$111.58	\$86.52	-22.50%		
Commission % included in above Rate	0.00%	0.00%			
Total [12 Month Contract Period] Premium	\$360,180.24	\$279,286.56			
AGGREGATE STOP LOSS					
	Current	Renewal - No Laser			
Benefits Covered	Medical and Drug	Medical and Drug			
Contract Basis	Paid Basis	Paid Basis			
Aggregate Stop Loss Corridor	125%	125%			
Aggregate Stop Loss Rate	\$6.48	\$6.67	3.00%		
Commission % included in above Rate	0.00%	0.00%			
Total [12 Month Contract Period] Premium	\$20,917.44	\$21,544.96			
EXPECTED CLAIMS LIABILITY					
	Current	Renewal - No Laser			
Expected Claims	\$645.08	\$722.57	12.00%		
Total [12 Month Contract Period] Premium	\$2,082,318.24	\$2,332,455.96			
MAXIMUM CLAIMS LIABILITY					
	Current	Renewal - No Laser			
Maximum Claims Liability	\$806.35	\$903.21	12.00%		
Total [12 Month Contract Period] Maximum Claims	\$2,602,897.80	\$2,915,561.88			
Minimum Claims Liability	\$766.00	\$858.05			
Total [12 Month Contract Period] Minimum Claims	\$2,472,753.00	\$2,769,785.00			
OVERALL COST SUMMARY					
	Current	Renewal - No Laser			
Total Fixed Costs	\$517,287.00	\$436,504.36	-15.60%		
Expected Claims	\$2,082,318.24	\$2,332,455.96	12.00%		
Total Expected Liability	\$2,599,605.24	\$2,768,960.32	6.50%		
Total Fixed Costs	\$517,287.00	\$436,504.36			
Maximum Claims Liability	\$2,602,897.80	\$2,915,561.88			
Total Maximum Liability	\$3,120,184.80	\$3,352,066.24	7.40%		


 Authorized Signature

ASO Standard Stop Loss Assumptions

City of Paducah

Effective Date: 01/01/2017 - 12/31/2017



All medical benefits administered by Anthem are included under the Specific and Aggregate Stop Loss Agreement except for the following:

Claims for services and supplies considered experimental.

Claims for benefits not covered by the underlying benefit plan, which are paid by Anthem outside the plan at

City of Paducah's request.

Human Organ Transplant / Bone Marrow Transplant (HOT/BMT) is included under the stop loss agreement.

If you are a current Anthem ASO client with Stop Loss Coverage and renew annually with a contract basis other than 24/12; there may be potential gaps in your Stop Loss Coverage. Should you wish to transition to a contract type without any potential coverage gaps, Anthem will be happy to provide a transition strategy and proposal upon request from your sales representative.

ASO SPECIFIC STOP LOSS

The Specific Stop Loss coverage will be effective January 01, 2017.

Claims that are paid January 01, 2017 through December 31, 2017 are included under the Stop Loss Agreement.

Specific Stop Loss Coverage: Medical and Drug

The Specific Stop Loss Maximum is Unlimited per agreement period.

The Specific Stop Loss Maximum and Limit are administered on a Per Member basis.

Specific Stop Loss claims above the selected Specific Stop Loss Limit will not count towards satisfaction of the Aggregate Stop Loss Limit.

Specific Stop Loss rates are net of commissions.

ASO Standard Stop Loss Assumptions

City of Paducah

Effective Date: 01/01/2017 - 12/31/2017



Due to the gap in experience from the end of the experience period to the effective date of this proposal / renewal, Anthem reserves the right to review updated claims information 3 months prior to the effective date and make changes if necessary.

ASO AGGREGATE STOP LOSS

The Aggregate Stop Loss coverage will be effective January 01, 2017.

Claims that are paid January 01, 2017 through December 31, 2017 are included under the Stop Loss Agreement.

Aggregate Stop Loss Coverage: Medical and Drug

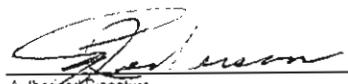
The Aggregate Stop Loss Maximum is \$1,000,000 per agreement period.

The Actively-at-Work provision may be waived, subject to disclosure of claims paid by the prior carrier. Specific Stop Loss claims above the selected Specific Stop Loss Limit will not count towards satisfaction of the Aggregate Stop Loss Limit.

Aggregate Stop Loss rates are net of commissions.

The offer of Aggregate Stop Loss is contingent upon the purchase of Specific Stop Loss from Anthem.

The minimum Aggregate Stop Loss Limit is \$2,769,785 annually.


Authorized Signature

Date

Anthem Underwriting Issue Date 09/26/2016

Anthem Blue Cross and Blue Shield

Stop Loss Policy Application

PART A - COMPANY INFORMATION

Legal Company Name	City of Paducah		
Address	300 South 5 th Street		
	P.O. Box 2267	Phone	(270) 444-1333
City	Paducah	State	KY Zip Code 42002
Policy Effective Date:			
Type of Coverage for which Stop Loss is sought:	<input checked="" type="checkbox"/> Medical <input checked="" type="checkbox"/> Prescription Drug Card <input type="checkbox"/> Dental <input type="checkbox"/> Vision		
<p>Stop Loss policies provide coverage only for the purchaser of the policy for the purchaser's liability under a group health plan it sponsors. Anthem has no liability to group participants or beneficiaries under the health care plan by virtue of any stop loss policy.</p>			

PART B - PARTICIPATION

TOTAL NUMBER OF ELIGIBLE EMPLOYEES	_____
<p>Eligible employee is defined as a person who is determined to be eligible to elect coverage under the group health plan by the Applicant under applicable provisions of its group health plan. Plan eligibility provisions, including changes thereto, must be approved in advance by Anthem. For the purposes of this application, the term group health plan means that portion of the employee welfare benefits plan of the Applicant under which Anthem or an affiliate of Anthem administers health plan benefits.</p>	

PART C - BROKER/AGENT (if any)

Name	Gregory W. Carlton	Agency	Peel + Holland, Inc.
Address	1120 Main Street	Phone	(270) 527-8621
City	Benton	State	KY Zip Code 42025
<p>Broker/Agent Statement</p> <p>I hereby certify that all the information in the Application is correct to the best of my knowledge, and I know nothing unfavorable about this group. I have complied with the underwriting rules and regulations and have explained in detail the coverage to the group.</p>			
Agent Signature _____		Insurance Agent License ID# _____	

Anthem Blue Cross and Blue Shield is the trade name of Anthem Insurance Companies, Inc. Independent licensee of the Blue Cross and Blue Shield Association. ANTHEM is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association.

PART D - CERTIFICATION

By signing below, the Applicant certifies that the information on this form is correct to the best of its knowledge and agrees to:

1. Promptly remit the appropriate premium by the payment date in accordance with the policy issued and the administrative service agreement through which the premium may be collected;
2. Provide every eligible employee an opportunity to enroll in the group health plan when he or she becomes eligible (only eligible employees, as described above, may be enrolled);
3. Maintain enrollment in the group health plan at or above the minimum requirement of 75% of eligible employees;
4. Maintain the minimum employer contribution requirement of 50% of the employee only rate established by the group health plan;
5. Fully abide by the terms of the policy issued by Anthem pursuant hereto as though the Applicant's authorized representatives had duly executed said documents on its behalf.

Further, the Applicant understands that failure to comply with the agreed-upon responsibilities, as listed above, will give Anthem the right to terminate the policy in accordance with its terms.

SIGNATURE BOX

Signature of Authorized Company Official

Title

Date

Martin Russell

HR Director

Group Administrator / Future Correspondence Contact (please print)

Title

(270) 444-9540

(270) 444-9518

mrussell@paducahky.gov

Phone Number

Fax Number

Email Address

Anthem Blue Cross and Blue Shield is the trade name of Anthem Insurance Companies, Inc. independent licensee of the Blue Cross and Blue Shield Association. SMANTHEM is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association.

Agenda Action Form Paducah City Commission

Meeting Date: October 4, 2016

Short Title: Strategic Health Risk Advisor and Strategic Benefit Placement Services
Renewal with Peel and Holland.

Ordinance Emergency Municipal Order Resolution Motion

Staff Work By: Missi Dotson, Steve Doolittle
Presentation By: Martin Russell

Background Information:

The City has utilized the Health Risk Advisor services of Greg Carlton through Peel & Holland since July 1999 pertaining to issues regarding the administration, renewal, claim resolution, cost containment and bidding process of the City's health insurance plan. During this time the City has received exceptional service from Mr. Carlton. The City will pay Peel and Holland \$76,900 for the 2017 years' service. This fee is payable in four equal installments of \$19,225 to be billed quarterly. The total includes a \$70,000 advisor fee and includes the use of data analytics via Acclaim Health Analytics and NavMD Design 180 with customized reporting and care management integration, that provides data analytics that are critical to the success of the Edumedics layer of Health Coaching that was added in 2014. In addition, there is use of Compliance Dashboard which is needed to stay in line with the changing laws related to ACA and other employer reporting of health information. This total dollar amount remains flat to last year.

There will be an additional fee of \$200 per hour subject to a minimum retainer of \$5,000 for services requested by the City or the City's legal counsel for issues that arise in connection with employer and employee bargaining, legal matters, disputes, or other similar issues. The services provided by Greg Carlton will continue effective January 1, 2017.

Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name: Insurance Claims
Account Number: 07302085422307

DU 9/30/16
Finance

Staff Recommendation: Authorize the Mayor to execute a contract between the City of Paducah and Peel & Holland pertaining to the administration of the City's health insurance.

Attachments: Strategic Health Risk Advisor and Strategic Benefit Placement Services
Renewal Agreement

 Department Head	City Clerk	 City Manager
--	------------	--

ORDINANCE NO. 2016-10-_____

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR A STRATEGIC HEALTH RISK ADVISOR & STRATEGIC BENEFIT PLACEMENT SERVICES WITH PEEL & HOLLAND FINANCIAL GROUP FOR ADMINISTRATION OF THE CITY OF PADUCAH'S HEALTH INSURANCE

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The City of Paducah hereby authorizes the Mayor to execute of a contract for a Strategic Health Risk Advisor and Strategic Benefit Placement Services with Peel & Holland Financial Group, in the amount of \$76,900.00, payable in four equal installments of \$19,225 each, for administration services pertaining to the administration of the City of Paducah's health insurance. An additional fee of \$200 per hour, subject to a minimum retainer of \$5,000.00, will be charged for services requested by the City or the City's legal counsel for issues that arise in connection with employer and employee bargaining, legal matters, disputes or other similar issues. This contract is for the 2017 calendar year.

SECTION 2. This expenditure shall be charged to the Insurance Claims account-073-0208-542-2307.

SECTION 3. This ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

Mayor

ATTEST:

Tammara S. Sanderson, City Clerk

Introduced by the Board of Commissioners, October 4, 2016

Adopted by the Board of Commissioners, October 11, 2016

Recorded by Tammara S. Sanderson, City Clerk, October 11, 2016

Published by *The Paducah Sun*, _____

\\ord\pers\contract-Greg Carlton 2017



ANTHEM BLUE CROSS & BLUE SHIELD
SINGLE CASE AGREEMENT
ADDENDUM TO BROKER AGREEMENT

This Addendum ("Addendum") dated September 26, 2016, is agreed to by and between Anthem Blue Cross and Blue Shield ("Anthem") and Greg Carlton - Peel & Holland ("Broker"). This Addendum shall be effective as of January 01, 2017 and supercedes and replaces any prior Addendum, Single Case Agreement, or other agreements regarding the compensation between the parties with respect to the Group provided in Section 3 below.

Section 1: Effect of Addendum

- 1.1 This Addendum constitutes an amendment and supplement to the Broker Agreement between Anthem and Broker in effect as of the date hereof (the "Broker Agreement") in accordance the terms thereof, and supercedes and replaces the Commission portion of the Compensation Schedules attached to the Broker Agreement.
- 1.2 Except as expressly set forth herein, the Broker Agreement shall continue in full force and effect in accordance with its original terms, which terms shall also apply herein.

Section 2: Term and Termination

- 2.1 This Addendum shall automatically renew annually, unless earlier terminated as provided herein.
- 2.2 Either party may terminate this Addendum with at least thirty- (30) days advance written notice to the other party without cause ("Termination without Cause").
- 2.3 Anthem may terminate this Addendum effective upon mailing of written notice to Broker in the event of any breach of the terms hereof by Broker, or for any of the reasons set forth in the Broker Agreement, or any other provision hereof providing for termination for cause.
- 2.4 This Addendum shall terminate automatically and without notice in the event that the Broker Agreement is terminated pursuant to its terms.

Section 3: Group Information

3.1 Group Name: City of Paducah Group ID: _____

3.2 Group: New Renewal Renewal Date: January 01, 2017 Association Name: _____

3.3 Group Location (IN, KY, MO, OH, WI): KY Current Health Contracts: 269

3.4 Broker to be Paid: Greg Carlton - Peel & Holland Commission Split: 100%

Broker Tax ID: _____ Broker Code: _____

3.5 Broker to be Paid: _____ Commission Split: _____

Broker Tax ID: _____ Broker Code: _____

Section 4: Commission Please complete option 1, 2, or 3 below.

(Complete Option 1 if Per Capita Rate varies by Lines of Business. Please complete all Line of Business fields and use N/A if Line of Business does not apply.)

- 1). Per Capita Commission Rate Per Subscriber Per Month (PSPM): Health; _____ Dental; _____ Vision; _____
- 2). Per Capita Commission Rate for Administrative Service Only (ASO) Group (PSPM):
 Health \$ \$0.00 + Stop Loss % \$0.00 PSPM = \$0.00 Total Health PSPM
 Dental; _____ Vision; _____
- 3). Flat Commission Rate for ASO Group of _____ Per Month.

Note: If a Commission split is indicated in Section 3 of this Addendum, then the rate(s) indicated in Section 4 will be split accordingly.

Section 5: Acceptance of Addendum

Anthem may modify or amend this Addendum upon thirty (30) days' written notice to Broker.

By executing this Addendum below, the Broker attests that all compensation requested by this Addendum has been fully disclosed by the the Broker to the Group. Further, by executing this Addendum, the parties agree to the terms hereof.

BY: _____
 (Signature: Anthem Sales Representative)

Jamie Ammons
 (Printed Name: Anthem Sales Representative)

 (Date)

BY: _____
 (Signature: BROKER 1)

 (Printed Name: BROKER 1)

 (Date)

BY: _____
 (Signature: Anthem Regional Vice President or Regional Sales Director)

Moriah Ogilvie
 (Printed Name: Anthem Regional Vice President or Regional Sales Director)

 (Date)

BY: _____
 (Signature: BROKER 2)

 (Printed Name: BROKER 2)

 (Date)

City of Paducah, through its authorized representative hereby certifies that Greg Carlton - Peel & Holland is authorized to receive commission as described in Section 4 above.

BY: _____
 (Signature: Anthem Underwriting)

Lyvers, Susan
 (Printed Name: Anthem Underwriting)

 (Date)

BY: _____
 (Signature: Group Representative)

 (Printed Name: Group Representative)

 (Date)

STRATEGIC HEALTH RISK ADVISOR & STRATEGIC BENEFIT PLACEMENT SERVICES

THIS CONTRACT, made and entered into on this _____ day of _____ 2016, by and between Peel & Holland Financial Group, 1120 Main, P.O. Box 427, Benton, Kentucky 42025, hereinafter referred to as "ADVISOR," and City of Paducah, Kentucky hereinafter referred to as the "CLIENT,"

WITNESSETH:

WHEREAS, CLIENT desires to engaged ADVISOR to access its "Strategic Health Risk Advisor System and Strategic Insurance Placement Services System", hereinafter referred to as "SYSTEM" and ADVISOR desires to accept such engagement; and

NOW, THEREFORE, in consideration of their mutual promises, the parties hereto agree as follows:

- A. ADVISOR perform the following services on behalf of the CLIENT:
1. Review all insurance contracts and employer forms relating to health, vision, dental, and drug benefits, HRA, H.S.A. and make recommendations to the CLIENT on such contracts.
 2. Coordinate on-site enrollers or web-based enrollments and assistance with annual open enrollment for eligible employees during the period(s) contracted.
 3. Provide assistance with questions on behalf of CLIENT including but not limited to health insurance claims, eligibility, plan selection for employees.
 4. Provide consultation on issues relating to cost share, stop-loss and plan administration, and oversight in bid processes annually.
 5. Review and provide commentary on plan data such as claims, administrative and reinsurance costs and comparisons of data for varying years on a quarterly basis agreed to committees and/or the City Commission, or City Manager as agreed to by CLIENT.

6. Prepare annual request for proposals (RFP) for years CLIENT requests formal bid processes. Provide oversight and coaching services in review of bids, assembly of data received by bidders and make specific recommendations to CLIENT for placement or procurement of health/drug, dental and vision insurance contracts.
7. Review preferred provider agreements and assist client in comparing and selecting preferred provider organizations (PPO).
8. Assist CLIENT with meetings and coach on benefit plan issues with employee groups as requested by CLIENT.
9. When qualified provide advice for all other areas of health, dental and drug plan operations as requested by CLIENT.
10. Provide COBRA administrative services via a separate administrative party as per a separate agreement between, U.S. Admin, LLC. and CLIENT.
11. Provide expert witness services in connection for employer and employee bargaining, legal matters, disputes, or similar issues, as requested by the employer or the employer's legal counsel.
12. Provide data analytics via Acclaim Health Analytics and NavMD Design180 with customized reporting and care management integration with disease management firms chosen independently by CLIENT.
13. Access to Compliance Dashboard, tool to help assure compliance with health plan laws.

B. For the services rendered as described in Paragraph A, Subparagraphs 1 through 10, CLIENT shall pay ADVISOR a fee of \$76,900 per annum (fee includes \$70,000 for Items 1-10, \$6,300 for item 12, and \$600 for Item #13). Services shall be billed and payable at a rate of \$19,225 per quarter and due each of the following dates: January 1, 2017, April 1, 2017, July 1, 2017, and October 1, 2017, payable within 30

days of each billing statement. Services shall continue for one calendar year from the inception date of this agreement. For services rendered as described in Paragraph A, Subparagraph 11 above, CLIENT shall pay ADVISOR a separate fee of \$200.00 per hour subject to a minimum retainer of \$5,000.00 per year should services be requested in item 11 above. Invoice for services rendered or retained under Paragraph A, Subparagraph 11, shall be billed monthly as accrued and payable no later than the 10th of the following month after the billed date. Assuming no services Paragraph A, Subparagraph 11 are requested, then no fee shall be paid under this separate section of the services. Also, due to the nature of benefits such as dental, vision, life, voluntary plans, etc. certain carriers may not waive standard commissions and if such relationship exists then these commissions shall be disclosed and commissions may be earned in addition to other fees specified within this agreement. The charging of these fees and expenses by ADVISOR for the services enumerated shall not preclude his charging and receiving a commission or fee as an agent or consultant in a separate transaction between CLIENT and ADVISOR should there be any such separate transaction.

C. CLIENT acknowledges that, with respect to providing advice and assistance placing insurance-related products, ADVISOR is acting as an insurance agent (as defined in KRS Chapter 304.9-020) and subject to provisions of KRS Chapter 304.11-020 TO 304.11-050. Further CLIENT meets the definition of "client" as denoted in KRS Chapter 304.11-020 TO 304.11-050 for health insurance.

D. CLIENT agrees that ADVISOR's sole responsibility is to provide its best advice in an objective manner in accordance with the terms of the contract. CLIENT understands and acknowledges that in many instances ADVISOR's advice will simply consist of his opinion. Although CLIENT may delegate to ADVISOR certain decisions as part of the service rendered by ADVISOR pursuant to this contract, only CLIENT, and not ADVISOR, shall be responsible for such decisions. ADVISOR's obligation to CLIENT shall be limited to providing CLIENT with his best opinion based upon his professional experience at the time such opinion is presented. CLIENT acknowledges

that ADVISOR makes no representations nor warranties concerning the quality, effectiveness, or results of his coaching services, and CLIENT assumes full risk for, and shall hold ADVISOR harmless from, all results of following or rejecting ADVISOR's advice or recommendations.

E. CLIENT shall release ADVISOR from providing any services required herein and ADVISOR shall provide a refund to CLIENT, prorated with the length of service rendered, if ADVISOR is prevented from providing the services by sickness, death, or events beyond his control, or if any outstanding bill which is due and payable by CLIENT to ADVISOR for past services is not paid in accordance with this contract.

F. Termination: CLIENT agrees that the initial term of this agreement and associated fees shall continue through December 31, 2017 and may continue into the future, as mutually agreed and by extending the agreement in writing. Afterward, either party may termination this agreement, at any time, for any reason, provided a ninety (90) day notice is provided in writing. Fees shall continue to become due and payable throughout the length and term of the entire agreement, even if terminated, unless stipulated otherwise in section E. above.

G. This agreement has been entered into by City of Paducah, Paducah, Kentucky and Peel & Holland Financial Group.

IN TESTIMONY WHEREOF, Peel & Holland Financial Group and City of Paducah each has caused their name to be hereunto affixed on this date first written above.

09/30/2016

Date:



Gregory W. Carlton, CLU, ChFC
Senior VP – Health & Wellness
Peel & Holland Financial Group

Date:

City of Paducah Kentucky

Agenda Action Form

Paducah City Commission

Meeting Date: October 4, 2016

Short Title: Anthem Blue Cross Blue Shield Administrative Services

Ordinance Emergency Municipal Order Resolution Motion

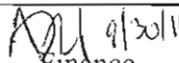
Staff Work By: Missi Dotson, Steve Doolittle, Greg Carlton
Presentation By: Martin Russell

Background Information:

Greg Carlton of Peel & Holland presented an overview to the City's Insurance Committee on October 4, 2016 outlining the City's current health plan costs and 2017 predictions. Greg Carlton and City staff recommends that the Mayor and Commissioners execute an agreement between the City of Paducah and Anthem Blue Cross Blue Shield effective January 1, 2017 to continue as the City's Third Party Administrator (TPA) to provide claims administrative services related to the City's health insurance plan. Remaining with Anthem offers the best overall option for quality of plans, administrative services, and competitive rates and factors. This agreement reflects the City's action to keep the City's health insurance plan TPA as Anthem Blue Cross Blue Shield effective January 1, 2017. A summary of Anthem's administrative fees, rates and factors is attached. Administrative rate paid to Anthem is \$42.03 per member, per month, which is a decrease of 0.40% from last year.

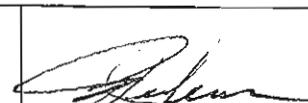
Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name: Health Insurance Fund
Account Number: 073-0208-542.20-C1


Finance

Staff Recommendation: Authorize the Mayor to execute an agreement between the City of Paducah and Anthem Blue Cross Blue Shield to provide administrative services related to the City's health insurance plan effective for the plan year beginning January 1, 2017.

Attachments: Anthem Blue Cross Blue Shield Administrative Services Proposal.

 Department Head	 City Clerk	 City Manager
--	----------------	--

ORDINANCE NO. 2016-10-_____

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF PADUCAH AND ANTHEM BLUE CROSS BLUE SHIELD

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The Mayor is hereby authorized to execute an Agreement between the City of Paducah and Anthem Blue Cross Blue Shield as the City's Third Party Administrator to provide claims administrative services related to the City's health insurance plan. The effective date of this Agreement is January 1, 2017 and ending December 31, 2017.

SECTION 2. Funding for this service will come from the City's Health Insurance Fund.

SECTION 3. This ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

Mayor

ATTEST:

Tammara S. Sanderson, City Clerk

Introduced by the Board of Commissioners, October 4, 2016
Adopted by the Board of Commissioners, October 11, 2016
Recorded by Tammara S. Sanderson, City Clerk, October 11, 2016
Published by The Paducah Sun, _____
\\ord\pers\blue cross blue shield 2017

City of Paducah
 Group Number(s) 00210630
 Effective Date: 01/01/2017 - 12/31/2017
 Anthem Sales Representative: Jamie Ammons

Calendar Year Benefits

Deductible (single/family)
 Out-of-Pocket Maximum (single/family)
 Physician / Specialist Office Services Copayment
 Inpatient Facility Copay
 Inpatient Facility Coinsurance
 Outpatient Surgery Facility Copay
 Outpatient Surgery Facility Coinsurance
 Emergency Room Services (copay/coins)
 Urgent Care Services (copay/coins)
 Lifetime Maximum

Rx Tier
 Rx - Retail Pharmacy
 Rx - Mail Order Pharmacy
 Rx - Deductible / Cost Shares

ENROLLMENT - Employees

Subscriber Only
 Subscriber + Spouse
 Subscriber + Child(ren)
 Subscriber + Family
 Total Number of Employees

ENROLLMENT - Members

Total Number of Members

Expected Claims Liability

Expected Claims Liability

ASSUMPTIONS

See Assumptions Pages
 Benefits may be subjected to approval by CET.

	Grandfathered Benefit Plan Renewal Core Plan - Embedded Blue Version 4.0 Lumenos HSA - Modified Cost Shares		Grandfathered Benefit Plan Renewal Buy-Up Plan I Blue Version 4.0 PPO - Modified Cost Shares		Totals
	Network	Non-Network	Network	Non-Network	
Deductible (single/family)	\$3,000	\$6,000	\$3,000	\$3,000	
Out-of-Pocket Maximum (single/family)	\$3,000	\$6,000	\$6,000	\$6,000	
Physician / Specialist Office Services Copayment	0%	30%	20%	50%	
Inpatient Facility Copay	\$0	\$0	\$0	\$0	
Inpatient Facility Coinsurance	0%	30%	20%	50%	
Outpatient Surgery Facility Copay	\$0	\$0	\$0	\$0	
Outpatient Surgery Facility Coinsurance	0%	30%	20%	50%	
Emergency Room Services (copay/coins)	\$0	\$0	\$0	\$0	
Urgent Care Services (copay/coins)	\$0	\$0	\$0	\$0	
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited	
Rx Tier	Tier 1	Tier 2	Tier 1	Tier 2	
Rx - Retail Pharmacy	0%	0%	\$15	\$35	
Rx - Mail Order Pharmacy	0%	0%	\$45	\$105	
Rx - Deductible / Cost Shares	\$0 / \$0	\$0 / \$0	\$0 / \$0	\$0 / \$0	
ENROLLMENT - Employees					
Subscriber Only	113		20		133
Subscriber + Spouse	27		5		32
Subscriber + Child(ren)	33		8		41
Subscriber + Family	57		6		63
Total Number of Employees	230		39		269
ENROLLMENT - Members					
Total Number of Members	501		78		579
Expected Claims Liability					
Expected Claims Liability	\$725.26		\$706.74		\$722.57

Authorized Signature _____ Date _____
 Authorized Signature _____ Date _____
 Authorized Signature _____ Date _____
 Authorized Signature _____ Date _____

These rates indicate changes to the standard medical plan to ensure compliance with the requirements of the recently enacted federal health care reform legislation. Some of the changes in the standard medical plan include no lifetime maximums, elimination of certain annual limits, and the expansion of the definition of dependents. Refer to your sales brochure(s) for benefit details and limitations. This benefit description is intended to be a brief outline of coverage. The entire provisions of benefits and exclusions are contained in the Group Contract. In the event of a conflict between the Group Contract and this description, the terms of the Group Contract will prevail.



City of Paducah
 Group Number(s) 00210630
 Effective Date: 01/01/2017 - 12/31/2017
 Anthem Sales Representative: Jamie Ammons

ENROLLMENT - Employees	Grandfathered Benefit Plan Renewal Core Plan - Embedded Blue Version 4.0 Lumenos HSA - Modified Cost Shares	Grandfathered Benefit Plan Renewal Buy-Up Plan I Blue Version 4.0 PPO - Modified Cost Shares		Totals
Subscriber Only	113	20		133
Subscriber + Spouse	27	5		32
Subscriber + Child(ren)	33	8		41
Subscriber + Family	57	6		63
Total Number of Employees	230	39		269
EXPECTED CLAIMS LIABILITY				
Subscriber Only:	\$398.69	\$472.81	\$0.00	Composite
Subscriber + Spouse:	\$837.25	\$992.90	\$0.00	Rate
Subscriber + Child(ren):	\$717.64	\$851.06	\$0.00	\$722.57
Subscriber + Family:	\$1,275.81	\$1,512.99	\$0.00	
Total Expected Claims Liability	\$1,968,732.12	\$363,685.44	\$0.00	\$2,332,455.96
TOTAL EXPECTED LIABILITY				
Subscriber Only:	\$473.31	\$561.30	\$0.00	Composite
Subscriber + Spouse:	\$983.95	\$1,178.73	\$0.00	Rate
Subscriber + Child(ren):	\$851.96	\$1,010.34	\$0.00	\$857.79
Subscriber + Family:	\$1,514.59	\$1,796.16	\$0.00	
Total Expected Liability	\$2,337,203.88	\$431,751.36	\$0.00	\$2,768,960.32
TOTAL MAXIMUM LIABILITY				
Subscriber Only:	\$572.98	\$679.50	\$0.00	Composite
Subscriber + Spouse:	\$1,203.26	\$1,426.95	\$0.00	Rate
Subscriber + Child(ren):	\$1,031.36	\$1,223.10	\$0.00	\$1,038.43
Subscriber + Family:	\$1,833.54	\$2,174.40	\$0.00	
Total Maximum Liability	\$2,829,377.04	\$522,671.40	\$0.00	\$3,352,066.24
COBRA				
Subscriber Only:	\$584.44	\$683.09	\$0.00	Composite
Subscriber + Spouse:	\$1,227.32	\$1,455.49	\$0.00	Rate
Subscriber + Child(ren):	\$1,051.99	\$1,247.56	\$0.00	\$1,059.20
Subscriber + Family:	\$1,870.21	\$2,217.89	\$0.00	
Cobra	\$2,885,964.00	\$533,124.84	\$0.00	\$3,419,107.56

ASO Standard Pricing Assumptions

City of Paducah

Effective Date: 01/01/2017 - 12/31/2017



The services, rates and fees within this proposal assume an effective date of January 01, 2017 through December 31, 2017.

Anthem Health Plans of Kentucky, Inc. reserves the right to revise this proposal under any of the following circumstances.

(1) a change to the Plan benefits initiated by Employer that results in a substantial change in the services to be provided by Anthem Health Plans of Kentucky, Inc..

(2) a change in ownership;

(3) a change in the total number of Subscribers resulting in a +/- 10% of the number of Subscribers enrolled for coverage on the date of the Administrative Services Fee was last modified;

(4) a change in Employer Contribution;

(5) a change in nature of Employer's business resulting in a change in its designated Standard Industrial Classification ("SIC") code;

(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 Health Plans of Kentucky, Inc.. The cost for our standard reporting package is included in the proposed ASO fee. Non-standard reports may be subject to an additional fee depending on the complexity and frequency requested.

(7) if material errors or omissions are found after the quote is issued, we reserve the right to revise the quote in any manner or rescind the quote even if you are unaware of the material error or omission. Additionally, we reserve the right to rescind the proposal in its entirety based on our review of all the information submitted during the proposal process

Electronic eligibility or tape feeds must be in a format compatible with our systems

Anthem Health Plans of Kentucky, Inc.'s proposal assumes claims incurred prior to the effective date are not included unless specifically noted.

In the unlikely event the ASO arrangement is terminated by City of Paducah during the implementation phase, the costs incurred by Anthem Health Plans of Kentucky, Inc. in setting up and installing the group will be the responsibility of City of Paducah.

ASO Standard Pricing Assumptions

City of Paducah

Effective Date: 01/01/2017 - 12/31/2017



This proposal assumes that Anthem Health Plans of Kentucky, Inc. will be the only carrier offered.

Quoted rates are subject to review of audited financial statements and Dunn & Bradstreet reports prior to final sale

City of Paducah must sign the administrative services agreement prior to the effective date, or agree to abide by Anthem Health Plans of Kentucky, Inc.'s standard administrative practices until the administrative services agreement is signed. If City of Paducah does not agree to this provision, claims processing could be delayed until an agreement is signed.

If City of Paducah is delinquent in payment for the weekly claims billing, Anthem Health Plans of Kentucky, Inc. will not process further claims until the account is brought current.

Assessments include charges for the Vaccine Program, High Risk Assessment and VT Health IT Reinvestment Fund.

Non-grandfathered plans will include Preventive Care as defined by regulation without cost sharing on In-Network services

Anthem Health Plans of Kentucky, Inc. shall retain the difference, if any, between the invoiced amount to City of Paducah and the amount paid to the pharmacy benefit manager for prescription drugs dispensed to members as a portion of Anthem Health Plans of Kentucky, Inc.'s reasonable compensation for services provided to City of Paducah.

ASO fees and stop loss premiums will be invoiced on the first full week of the month and due within three business days. Claims are billed weekly.

This proposal expires 60 days from the date of release of this proposal or on the effective date whichever is sooner.

The fees assume 269 Subscribers. If the actual number of Subscribers differs by +/-10%, Anthem reserves the right to revise the fees.

A change in the contract period will require a recalculation of fees.

Anthem Blue Cross and Blue Shield assumes that participation for City of Paducah is within our guidelines. The minimum acceptable participation is the greater of (a) 50% of total eligible full-time employees or (b) 75% of net eligible full-time employees. Net eligible is total eligible less any spousal waivers.

ASO Standard Pricing Assumptions

City of Paducah

Effective Date: 01/01/2017 - 12/31/2017



An eligible employee is defined as an active, permanent employee who works for pay or profit at least 30 hours per week, 50 weeks per year as of the effective date and who completes the group imposed waiting period.

Anthem Health Plans of Kentucky, Inc. requires that City of Paducah contributes a minimum of 50% of the employee premium for all active and retired employees enrolled in the group health plan.

Our proposal for ASO excludes commission (commission would be disclosed here if applicable).

Section 1341 of the Affordable Care Act (ACA or Health Care Reform Law) provides that a transitional reinsurance program be established in each state to help stabilize premiums for coverage in the individual market during the years 2014 through 2016. ACA Reinsurance Fees in 2014 are estimated to be \$5.25 per participant per month. This quote or renewal **DOES NOT** include the ACA Reinsurance Fees, since it is assumed that the employer will remit payment to HHS directly.

At this time, it is not known if additional guidance and clarification from the U.S. Department of Health and Human Resources will require additional changes to benefits and rates. If so, we will communicate revised benefit and rate information as soon as it is available.

ASO Standard Pricing Assumptions

City of Paducah

Effective Date: 01/01/2017 - 12/31/2017



The benefits reflected in this quotation may have been adjusted to comply with changes required by the Affordable Care Act beginning in 2014.

The following BlueCard Fees will be included in the paid claims amount:

The Access Fee is charged at a percentage no greater than 4.64% of the discount/differential subject to a maximum of \$2,000 per claim.

The AEA Fee is \$5.00 per professional provider claim and \$11.00 per institutional claim.

Occasionally, Anthem and a Host Blue may contract for a lower fee by combining the Access Fee and AEA Fee.

The Central Financial Agency Fee is \$0.16 per payment notice.

The ITS Transaction Fee is \$0.05 per claims transaction.

Some BlueCard Fees may not be charged in Anthem states. For a complete description of these fees, please consult your ASO Agreement.

NOTE: For new business groups only; Anthem Underwriting requires 8 months of Anthem data for the 1st year renewal.

Authorized Signature

Date

Anthem Underwriting Issue Date 09/26/2016