

Request for Proposal
For
Employee Benefits Consulting Services

City of Duluth, Minnesota

Date Issued: April 30, 2009

Date Due: June 8, 2009

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1. BACKGROUND

The City of Duluth operates under a form of government known as the mayor-council form with its principal offices located in City Hall, Duluth, Minnesota. The City presently has a staff of approximately 800 employees. City of Duluth employees are represented by five (5) bargaining units (i.e., AFSCME/Basic, Confidential, IAF/Fire Fighters, Police, and CDSA/Supervisory).

The City provides full-time employees who meet the eligibility requirements with single health care and prescription drug coverage, and single dental coverage. Employees may purchase dependent coverage at an additional cost. Blue Cross and Blue Shield of Minnesota is the plan administrator for the City's health benefits, ClearScript is the plan administrator for prescription drug benefits, and Delta Dental Plan of Minnesota is the plan administrator for dental benefits. Midwest EAP provides Employee Assistance benefits, and SuperiorUSA is the Flexible Spending Account plan administrator. COBRA administration is performed in-house.

The City of Duluth is self-insured on all health and dental plan offerings. The City one (1) health care and prescription drug plan option, and three (3) dental plan options for employees to choose from. Eligible retirees may participate in the City's health care program. At this time, are approximately 900 retirees participating in the City's retiree health care program, which currently consists of six (6) retiree health plans and five (5) prescription drug plan options.

There are three (3) subgroups (i.e., Airport, DECC and HRA) also participating in the City's health care and dental program. The Airport has 21 employees, the DECC has 32 employees, and HRA employs 62 individuals. There are 46 retirees from the Airport, DECC, and HRA participating in the City's health care program.

2. PURPOSE AND OBJECTIVE

The objective of this RFP is to identify a consulting firm that will assist the City of Duluth with employee benefits account management, benefits strategy, vendor management and ongoing consulting services. Success will be measured by high quality service and cost effective employee benefits plans for our employees.

Please submit a written proposal to explain your approach, methodology, timetable for completing the annual renewal, costs, resource requirements, information needs, and expected results and deliverables.

We are looking for a broker/consultant who can help design strategies and utilize resources in the market to keep cost increases manageable and has demonstrated experience and expertise with disease management. Please explain your approach and results concerning this requirement. In order to maximize your value to this engagement and effectively manage the cost of your services, it is likely that the City of Duluth will want to do internally those tasks that can be done internally, and only use outside assistance where that would add value. Explain in your response how this could be accomplished.

3. PROPOSAL TIMELINE

The following is the anticipated schedule for this project. The City of Duluth reserves the right to modify this schedule as necessary, and will provide RFP amendments as needed should changes arise:

Activity	Responsibility	Date
Request for proposal issued	City of Duluth	April 30, 2009
Deadline to submit questions via email to	Bidders	May 11, 2009
Answers to questions no later than this date	City of Duluth, Human Resources	May 25, 2009
Sealed proposal must be received by the City of Duluth's Purchasing Agent at: City of Duluth, Purchasing, 411 W. 1 st St., 100 City Hall, Duluth, MN, 55802-1195.	Bidders	June 8, 2009
Proposal evaluation and selection by City of Duluth's Benefit Consultant Selection Committee	City of Duluth	June 2009
Award of Contract	City of Duluth	July 2009

4. BENEFIT PROGRAM INFORMATION

The City of Duluth is requesting written proposals from qualified consulting firms for Benefits Consulting services to assist the City of Duluth in the administration of its benefit programs for both employees and retirees for a three (3) year contract beginning July, 6, 2009.

The City of Duluth currently offers the following benefit programs to its employees and retirees:

- Blue Cross Blue Shield Health Plan (actives and eligible retirees)
- ClearScript Pharmacy Benefit Plan (actives and eligible retirees)

- Delta Dental Plan (actives and eligible retirees)
- Midwest EAP – Employee Assistance Program
- SuperiorUSA – Flexible Spending Account Plan (medical and dependent daycare)
- Minnesota Life – Group Life Insurance (actives and eligible retirees)
- PERA Life – Group Decreasing Life Insurance (actives)
- Deferred Compensation (457) – Minnesota State Retirement System, Hartford, ICMA and Nationwide
- Health Care Savings Plan (Minnesota State Retirement System)
- Defined benefits for public employees (PERA)

The following Appendices have been included with this Request for Proposal:

- APPENDIX A: BARGAINING AGREEMENTS
- APPENDIX B: MEDICAL BENEFITS
- APPENDIX C: PHARMACY BENEFITS
- APPENDIX D: DENTAL BENEFITS
- APPENDIX E: EMPLOYEE ASSISTANCE PROGRAM
- APPENDIX F: FLEXIBLE SPENDING ACCOUNT (FSA)
- APPENDIX G: LIFE INSURANCE
- APPENDIX H: DEFERRED COMPENSATION PLAN
- APPENDIX I: PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF MINNESOTA (PERA)
- APPENDIX J: CENSUS
- APPENDIX K: DULUTH AIRPORT AUTHORITY (AIRPORT)
- APPENDIX L: DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY (DECC)
- APPENDIX M: HOUSING REDEVELOPEMENT AUTHORITY (HRA)

5. SCOPE OF SERVICES

Services include the following but are not limited to:

A. Account Management and Client Services

- 1) Ensure compliance is achieved, as outlined by the Dept. of Commerce, Chapter 2785, for political subdivision Self-Insurance pools
- 2) Analyze and recommend appropriate health plan funding arrangement (e.g., self-insured vs. fully-insured or combination)
- 3) Review programs to determine if competitive – benchmark data
- 4) Quarterly review of actual claims
- 5) Monthly financial tracking
- 6) Completion of stewardship/strategy report

- 7) Meet with Human Resources staff on an as needed basis to discuss issues and open items
- 8) Inform Human Resources of changes in the insurance marketplace
- 9) Provide written update on new State or Federal legislation or judicial decisions impacting the City of Duluth's benefits and suggested action or changes in operations or procedures to assure compliance
- 10) Attend monthly Health Insurance Committee meetings

B. Health and Benefits Strategy Support

- 1) Analyze factors driving plan costs and recommend opportunities to better manage cost, access, and quality
- 2) Benchmark medical plan costs and employee contributions on an annual or as needed basis (using published benchmark data)
- 3) Provide select claims reports on a monthly or quarterly basis
- 4) As needed review of HMO, PPO network analysis to estimate cost savings potential with alternative plans and delivery mechanisms
- 5) Develop alternative employee contribution strategies and formulas, as needed
- 6) Provide cost projections for current medical, prescription drug, and dental plans – as needed
- 7) Conduct review of business provisions in supplier/carrier contract
- 8) Assist with COBRA and HIPAA administrative questions as needed
- 9) Prepare requests for proposals for benefit plans, marketing proposals, analyzing proposals, providing a recommendation and negotiating with the providers for the following administrative services:
 - Health Plan
 - Medicare Supplement Plan
 - Pharmacy Benefit Manager
 - Dental Plan
 - Employee Assistance
 - Life Insurance
 - Flexible Spending Account (including Travel Reimbursement)
 - FMLA and Short- and Long-Term Disability Management (including Workman's Compensation)
 - Deferred Compensation (457)
 - Health Care Savings Plan

C. Plan Management

- 1) Negotiate/re-negotiate performance standards for carriers/suppliers, if applicable
- 2) Conduct regular meetings with carriers/suppliers to identify issues/problems and monitor performance against performance standards
- 3) Renewal processing and management
- 4) Renewal/proposal negotiations – premium, claims experience, pooling levels and charges, expense charges for plan administration, provider reimbursement arrangements within managed care delivery systems

D. Implementation Services

- 1) Help negotiate final contracts to ensure they conform to bid specifications
- 2) Participate in design and system review meetings
- 3) Review contracts and booklets
- 4) Establish procedures and protocols with vendors (e.g., corporate reporting and communication)
- 5) Review applications
- 6) Identification of qualified vendors
- 7) Scope of services
- 8) Provider access
- 9) Discount and disruption financial analysis
- 10) Alternate funding mechanisms
- 11) Plan design alternatives
- 12) Service performance standards
- 13) Development of Request for Proposal (RFP) and distribution to market place
- 14) Analysis of proposals
- 15) Presentation of comparative analysis to City of Duluth, Human Resources
- 16) Finalist interviews - Recommendation, selection and implementation support

6. QUESTIONNAIRE

A. *Description of Firm*

- 1) Describe your firm, its history and size, locations in which it operates and the number of employees.

- 2) Provide the legal name of your firm, its address, telephone number, fax number and company internet web address. If different, provide the address of each the location providing services.
- 3) Provide the name, title, address, telephone number, fax number and e-mail address of the primary contact for all matters relating to this RFP.
- 4) Describe your company's financial stability and capability to perform the requested services. Documents such as audited financial statements or Annual Report will be acceptable.
- 5) What is your firm's experience providing the requested consulting services to benefits plans? Please describe other benefits plans for which you have served as consultant and provided these services.
- 6) Who will serve as the account manager for the City of Duluth? How many accounts does this individual oversee? Describe this person's experience serving as consultant to organizations similar in size and in service needs as the City of Duluth.
- 7) Describe the team and staff members that will be providing the requested services to the City of Duluth:
 - Provide a biography describing the experience, professional education and designation for each staff member.
- 8) Please describe your experience in the following:
 - Consulting on PPO, HMO and other similar arrangements for medical benefits.
 - Working with pharmacy benefit managers.
 - Consulting on Medicare Supplement Plan funding arrangements for eligible retirees 65 and over.
 - Working with Total Disability Management and Workman's Compensation.
- 9) Has your firm ever been named as a defendant in a lawsuit alleging an error or omission while acting as a consultant to a health benefit plan? If yes, describe the instance or instances in which such has occurred.
- 10) Describe any other relevant information concerning your firm's expertise which you believe would be of interest to the City of Duluth in understanding the level of service's you can provide:

B. Delivery of Service

Describe your firm's methodology on providing the services outlined in **Section 5 - Scope of Services**. Include a detailed narrative description as well as an estimated timetable of events.

7. REFERENCES

Provide the following information for three clients who may be contacted for references and for whom your firm provides services similar to those which are the subject of this RFP.

- A. Name of contact, address and phone number.
- B. Types of services provided.
- C. Beginning date of relationship.

8. FEES

Provide your fee structure to deliver the proposed services.

9. SELECTION CRITERIA

The City of Duluth reserves the right to reject any or all proposals, or portions thereof. The selection of a successful bidder, if any, will be made based upon which proposal the City of Duluth determines would best meet its requirements.

The selection criteria are listed below not necessarily in order of importance:

- A. Qualifications
- A. Experience
- B. Technical Strength
- C. Customer Service
- D. Price
- E. References

10. PROPOSAL SPECIFICATIONS AND RESPONSE INSTRUCTIONS

- A. Consultants wishing to be considered in the selection process must submit ten (10) copies of the final proposal no later than 3:00 p.m., Tuesday, June 8, 2009, to:

City of Duluth
Purchasing
411 W. 1st St., 100 City Hall
Duluth, MN, 55802-1195

Proposals received after the designated time will not be considered in the evaluation process and will be returned unopened. The City of Duluth reserves the right to accept or reject any or all proposals.

- B. Requests for further information or questions regarding this Request for Proposal should be addressed, in writing, to the individuals listed below. Any oral communication will be considered unofficial and non-binding on the City of Duluth. Respondents should rely only on written statements issued by the individual listed below:

City of Duluth
Purchasing
411 W. 1st St., 100 City Hall
Duluth, MN, 55802-1195

City of Duluth
Director of Public Administration
411 W. 1st St., 313 City Hall
Duluth, MN, 55802-1195

Unauthorized contact regarding this Request for Proposal with any other City of Duluth employee may result in disqualification.

APPENDIX A: BARGAINING AGREEMENTS

The City of Duluth employs approximately 800 employees (?? Are part-time employees) and they are covered under five bargaining units. The position of the Mayor, Chief Administrative Officer and Chief Financial Officer are appointed, and therefore not covered under a bargaining agreement. The bargaining agreements can be obtained from the City of Duluth's website at: www.duluthmn.gov under the Human Resources office. Click on the links below for copies of the most current agreements:

- 2007 – 2009 Agreement between City of Duluth and Local 66 of AFSCME, Council 5
http://www.duluthmn.gov/employment/Union_Contracts/07-09BASIC.pdf
- 2007 – 2009 Agreement between the City of Duluth and Confidential Employees
http://www.duluthmn.gov/employment/Union_Contracts/07-09CONF.pdf
http://www.duluthmn.gov/employment/Union_Contracts/ATTYSACnf07-02.pdf
- 2007 – 2009 Agreement between the City of Duluth and Local 101 International Association of Fire Fighters
http://www.duluthmn.gov/employment/Union_Contracts/07-09Fire.pdf
http://www.duluthmn.gov/employment/Union_Contracts/AttySAFire07-01.pdf
- 2007 – 2009 Agreement between the City of Duluth and Duluth Police Union, Local 807
http://www.duluthmn.gov/employment/Union_Contracts/07-09POLICE.pdf
- 2007 – 2009 Agreement between the City of Duluth and City of Duluth Supervisory Association
http://www.duluthmn.gov/employment/Union_Contracts/2007-2009%20Supervisory.pdf
http://www.duluthmn.gov/employment/Union_Contracts/AttySASuper07-01.pdf
http://www.duluthmn.gov/employment/Union_Contracts/ATTYSASuper07-02.pdf

APPENDIX B: MEDICAL BENEFITS

Blue Cross Blue Shield of Minnesota has been the third-party administrator of the self-funded medical plans (excluding pharmacy) for City of Duluth eligible active employees and eligible retirees since 2000. Eligible employees and retirees from the Duluth Airport Authority (Airport), the Duluth Entertainment and Convention Center Authority (DECC) and the Housing Redevelopment Authority of Duluth (HRA) also participate in the City of Duluth's medical program.

Please note: One significant change implemented effective January 1, 2009, allows active employees and newly eligible retirees and their dependents to be covered as both a subscriber and a dependent.

Active City of Duluth employees have one (1) medical plan option and there are (6) health plan options for retirees. Retirees do not have an open enrollment window and may not switch their health plan benefit. Summaries of all the medical plans are provided.

BCBS Plan Documents (actives & retirees)

2008 BCBS Plan Document – Plan 3A (Actives and Retirees)

<http://www.duluthmn.gov/employment/Benefits/2008%20COD%20Plan%203A.pdf>

2008 BCBS Plan Document – Plan 1, 2, and 4 (Retirees)

<http://www.duluthmn.gov/employment/Benefits/2008%20COD%20Retiree.pdf>

Plan Summaries

ENCLOSED

City of Duluth and Subgroup Number Assignments

ENCLOSED

APPENDIX B – PLAN SUMMARIES*

Covered Services	Plan 1 (Retiree Plan)	Plan 1A (Retiree Plan)	Plan 2 (Retiree Plan)	Plan 2B (Retiree Plan)	Plan 3 (Employee & Retiree)	Plan 4 (Retiree Plan)
Lifetime Maximum (per member)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000	\$1,000,000
Deductible	\$100 individual (Major Medical) \$300 family (Major Medical)	\$650 individual <u>and</u> \$100 individual Major Medical \$650 family <u>and</u> \$300 family Major Medical	N/A	\$650 individual \$650 family	\$250 individual \$500 family	N/A
Co-Insurance or Co-payment	80% Major Medical Co-insurance	80% Major Medical co-insurance	\$15 Office Visit Co-payment \$25 Emergency Room Co-payment \$3 Skilled Nursing Facility Co-payment	\$15 Office Visit Co-payment \$25 Emergency Room Co-payment \$3 Skilled Nursing Facility Co-payment	80% Co-insurance	N/A
Annual Out-of- Pocket Maximum	\$2,080 individual \$6,240 family	\$2,080 individual \$6,240 family (Note: \$650 deductible does not apply to out-of- pocket maximums)	No cap on Out-of- Pocket Maximum	No cap on Out-of- Pocket Maximum	\$1,250 individual \$2,500 family	No cap on Out-of- Pocket Maximum

APPENDIX B – PLAN SUMMARIES*

Covered Services	Plan 1 (Retiree Plan)	Plan 1A (Retiree Plan)	Plan 2 (Retiree Plan)	Plan 2B (Retiree Plan)	Plan 3 (Employee & Retiree)	Plan 4 (Retiree Plan)
Preventive Care Annual Physical Annual Eye Exam Annual Hearing Exam Routine Cancer Screening	100% of 25 visits† per calendar year for the office visit charge; after 25 th visit, subject to major medical deductible and co- insurance	Deductible, then 100% of 25 visits† per calendar year for the office visit charge; after 25 th visit, subject to major medical deductible and co- insurance	\$15 Co-payment per office visit, then 100% coverage	Deductible, then \$15 Co-payment per office visit, then 100% coverage	100% coverage*	100% coverage
Hospital Services Inpatient Care	100% coverage; if Major Medical, then deductible & 80% co-insurance	Deductible, then 100% coverage; if Major Medical, then deductible & 80% co-insurance	100% coverage	Deductible, then 100% coverage	Deductible, then 80% coverage	100% coverage
Outpatient Care	100% coverage	100% coverage	100% coverage	Deductible, then 100% coverage	Deductible, then 80% coverage	100% coverage
Physician Services Office Visits	100% of 25 visits† per calendar year for the office visit charge; after 25 th visit, subject to major medical deductible and co- insurance	Deductible, then 100% of 25 visits† per calendar year for the office visit charge; after 25 th visit, subject to major medical deductible and co- insurance	\$15 co-payment per office visit, then 100% coverage	Deductible, then \$15 co-payment per office visit, then 100% coverage	Deductible, then 80% coverage	100% coverage
Emergency Room	100% coverage	Deductible, then 100% coverage	\$25 co-payment per visit, then 100% coverage	Deductible, then \$25 co-payment per visit, then 100% coverage	Deductible, then 80% coverage	\$25 co-payment per visit, then 100% coverage

APPENDIX B – PLAN SUMMARIES*

Covered Services	Plan 1 (Retiree Plan)	Plan 1A (Retiree Plan)	Plan 2 (Retiree Plan)	Plan 2B (Retiree Plan)	Plan 3 (Employee & Retiree)	Plan 4 (Retiree Plan)
Durable Medical Equipment	Major medical deductible, then 80% coverage	Subject to all deductibles (including major medical), then 80% coverage	100% coverage	Deductible, then 100% coverage	Deductible, then 80% coverage	100% coverage
Rehabilitative Care Physical Therapy Occupational Therapy Speech Therapy	100% of 25 visits† per calendar year for the office visit charge; after 25 th visit, subject to major medical deductible and co-insurance	Deductible, then 100% of 25 visits† per calendar year for the office visit charge; after 25 th visit, subject to major medical deductible and co-insurance	\$15 co-payment per visit, then 100% coverage	Deductible, then \$15 co-payment per visit, then 100% coverage	Deductible, then 80% coverage	100% coverage
Chiropractic Care	100% of 25 visits† per calendar year for the office visit charge; after 25 th visit, subject to major medical deductible and co-insurance	Deductible, then 100% of 25 visits† per calendar year for the office visit charge; after 25 th visit, subject to major medical deductible and co-insurance	\$15 co-payment per visit, then 100% coverage	Deductible, then \$15 co-payment per visit, then 100% coverage	Deductible, then 80% coverage	100% coverage
Group Numbers	EP408 – E0, E6, E7, E8, 50, 56, 57, 58	EP408 – F0, F6, F7, F8, 60, 66, 67, 68	EP408 – H0, 80	EP408 – I2, 92	Actives: EP408 – B0, W1, W2, W3, W4, W5, W6, W7, W8, WC	EP408 – P0, D0

APPENDIX B – PLAN SUMMARIES*

Covered Services	Plan 1 (Retiree Plan)	Plan 1A (Retiree Plan)	Plan 2 (Retiree Plan)	Plan 2B (Retiree Plan)	Plan 3 (Employee & Retiree)	Plan 4 (Retiree Plan)
					Retirees: EP408 – J0, J6, J7, J8, R0, R6, R7, R8	

* If diagnosis or treatment of a condition occurs during Preventive Care office visit, then deductible & co-insurance will apply.

† The Supplemental coverage under the plan is limited to a combined total of 25 calendar year visits for physician, rehabilitation and chiropractic services.

Note: Bone marrow, heart, lung, liver, pancreas and cornea transplants are not covered under Plan 1 or Plan 1A. These services are covered under Plan 3.

*** This is only an outline of plan benefits. The contract and certificate include complete details of what is and isn't covered. Services not covered include items primarily used for non-medical purposes, over-the-counter drugs/nutritional supplements, services that are complementary, experimental, not medically necessary, or covered by workers' compensation or no-fault auto insurance.**

If you have questions about your health plan benefits, please contact the Blue Cross Blue Shield Customer Service Number on the back of your Identification card or 1-800-531-6676.

BCBSMN Group Numbers

Plan 1	EP408-50, 56 – 58, E0, E6 – E8
Plan 1A	EP 408-60, 66 – 68, F0, F6 – F8
Plan 2	EP 408-80, H0
Plan 2B	EP408-92, I2
Plan 3	EP408-B0, J0, J6 – J8, R0, R6 – R8, W1 – W8, WC
Plan 4	EP408-D0, P0

APPENDIX B – CITY OF DULUTH & SUBGROUP NUMBER ASSIGNMENTS

Health Group Number Assignment City of Duluth Active Employees & COBRA	Plan 3A Comprehensive Medical	Health Group Number Assignment Subgroup Active Employees & COBRA	Plan 3A Comprehensive Medical
Active Employee – Basic Union Group	EP 408 – B0		
Active Employee – Confidential Union Group	EP 408 – W1		
Active Employee – Fire Union Group	EP 408 – W2		
Active Employee – Legis & Exec	EP 408 – W3	Active Employee – Airport	EP 408 – W6
Active Employee – Police Union Group	EP 408 – W4	Active Employee – DECC	EP 408 – W7
Active Employee – Supervisory Union Group	EP 408 – W5	Active Employee – HRA	EP 408 – W8
COBRA – All Former City Employee Groups	EP 408 – WC	COBRA – Subgroups	EP 408 – WC

Health Group Number Assignment Retirees	Plan 1 Fee-for-Service		Plan 1A Fee-for-Service		Plan 2 Health Management		Plan 2B Health Management		Plan 3A Comprehensive Medical		Plan 4 Aware Network Plan	
	Under 65	Over 65	Under 65	Over 65	Under 65	Over 65	Under 65	Over 65	Under 65	Over 65	Under 65	Over 65
City of Duluth Retirees	EP 408 – E0	EP 408 – 50	EP 408 – F0	EP 408 – 60	EP 408-H0	EP 408-80	EP408-I2	EP 408-92	EP 408 - J0	EP408 – R0	EP 408 – P0	EP 408 – D0
Retirees – Airport	EP 408 – E6	EP 408 – 56	EP 408 – F6	EP 408 – 66					EP 408 - J6	EP408 – R6		
Retirees – DECC	EP 408 – E7	EP 408 – 57	EP 408 – F7	EP 408 – 67					EP 408 - J7	EP408 – R7		
Retirees – HRA	EP 408 – E8	EP 408 – 58	EP 408 – F8	EP 408 – 68					EP 408 - J8	EP408 – R8		

Health Group Number Assignments 2008.doc (12/19/2007)

APPENDIX C: PHARMACY BENEFITS

ClearScript is the Pharmacy Benefit Manager of the self-funded prescription drug plans for City of Duluth eligible active employees and eligible retirees. Eligible employees and retirees from the Airport, DECC and the HRA also participate in the City of Duluth's pharmacy benefit program. Only eligible employees enrolled in the medical plan may receive pharmacy benefits. Prior to October 1, 2007, Blue Cross Blue Shield of Minnesota administered the pharmacy benefits.

The City of Duluth's Retiree Drug Subsidy services are administered by National Pharmaceutical Services (NPS).

Pharmacy Benefit Formulary

http://www.duluthmn.gov/employment/Forms/2009_Formulary.pdf

Group Number Assignments & Co-pay Structure

ENCLOSED

APPENDIX C – GROUP NUMBER ASSIGNMENT & CO-PAY STRUCTURE*

	Prescription Drug Benefit Group # NPSCDP1 (Active & current Retiree Plan)	Prescription Drug Benefit Group # NPSCDP2 (Retiree Plan)	Prescription Drug Benefit Group # NPSCDP3 (Retiree Plan)	Prescription Drug Benefit Group # NPSCDP4 (Retiree Plan)	Prescription Drug Benefit Group # NPSCDP (Retiree Plan)
Generic Drug (Tier 1)	\$0 co-pay per prescription *	\$3 co-pay per prescription ✱	\$8 co-pay per prescription †	\$7 co-pay per prescription †	\$0 co-pay per prescription
Preferred Drug (Tier 2)	\$15 co-pay per prescription	\$3 co-pay per prescription ✱	\$12 co-pay per prescription †	\$12 co-pay per prescription	\$0 co-pay per prescription
Non-Preferred Brand (Tier 3)	30% co-insurance (\$30 min/\$100 max) per prescription	\$3 co-pay per prescription ✱	\$12 co-pay per prescription †	\$20 co-pay per prescription	\$0 co-pay per prescription

* This tier for this group # includes all generic prescription drugs as well as *approved* over-the-counter medications (OTC).

† Excludes OTC medications for this group.

✱ If prescription drug co-payments exceed \$100 per calendar year, a cash benefit of \$2.50 for each co-payment shall be payable to the covered retiree upon request at the end of each calendar year.

** This is only an outline of plan benefits and does not include complete details of what is and isn't covered. Services not covered include items primarily used for non-medical purposes, over-the-counter drugs/nutritional supplements, services that are complementary, experimental, not medically necessary, or covered by workers' compensation or no-fault auto insurance.*

If you have questions regarding your prescription drug benefits, please contact ClearScript Customer Service at 1-800-546-5677.

APPENDIX D: DENTAL BENEFITS

Delta Dental Plan of Minnesota has provided self-insured dental benefits since the early 1990's for City of Duluth eligible active employees and retirees. Eligible employees and retirees from the Airport, DECC and the HRA also participate in the City of Duluth's dental program.

The City of Duluth has one dental plan design, and two annual benefit maximums. The Low-Option dental plan has \$1,000 annual benefit and the High-Option dental plan has a \$2,000 annual benefit, with the exception of the employees in the Confidential Unit. The Low-Option dental benefit for Confidential Unit employees is a \$1,500 annual benefit.

Dental Plan Document

<http://www.duluthmn.gov/employment/Benefits/2007%20Delta%20Dental%20Summary%20Plan%20Description.pdf>

Dental summaries

ENCLOSED

City of Duluth and Subgroup Number Assignments

ENCLOSED



**City of Duluth
Group # 405**
Effective January 1, 2007

**Delta Dental PPO and
Delta Dental Premier**

A Snapshot of Your Coverage*

Service & Description	Delta Dental PPO	Delta Dental Premier	Non-Participating
Diagnostic & Preventive Services Exams & cleanings, x-rays, fluoride treatments, space maintainers	100%	100%	100% of maximum allowable fee***
Basic Services Emergency treatment for relief of pain, sealants, amalgam restorations (silver fillings) and composite resin restorations (white fillings) on anterior (front) teeth	80%	80%	80% of maximum allowable fee***
Endodontics Pulpotomies on primary teeth for dependent children, root canal therapy on permanent teeth	80%	80%	80% of maximum allowable fee***
Periodontics Surgical/Nonsurgical periodontics	80%	80%	80% of maximum allowable fee***
Oral Surgery Surgical/Nonsurgical extractions, all other oral surgery	80%	80%	80% of maximum allowable fee***
Major Restorative Crowns and composite resin restorations (white fillings) on posterior (back) teeth	80%	80%	80% of maximum allowable fee***
Prosthetic Repairs and Adjustments Denture adjustments and repairs, bridge repair	50%	50%	50% of maximum allowable fee***
Prosthetics Dentures (full and partial), bridges	50%	50%	50% of maximum allowable fee***
Deductible There is no deductible for this plan	\$0	\$0	\$0
Calendar Year Plan Maximum **Low Option (B, F, P, S) **Low Option (C only) **High Option (All)	\$1,000/person \$1,500/person \$2,000/person	\$1,000/person \$1,500/person \$2,000/person	\$1,000/person \$1,500/person \$2,000/person
Eligible Dependents	Spouse and unmarried dependent children up to age 19, and unmarried dependent children age 19 up to age 25 who are full-time students.		

*This is a summary of benefits only and does not guarantee coverage. For a complete list of covered services and limitations/exclusions, please refer to the Dental Benefit Plan Summary.
 **Calendar Year Plan Maximums: Low Option for Basic (B), Fire (F), Police (P) and Supervisory (S) is \$1,000; Low Option Confidential (C) is \$1,500; High Option is \$2,000 for all units.
 ***Dentist who have signed a participating network agreement with Delta Dental have agreed to accept the maximum allowable fee as payment in full. Non-participating dentists have not signed an agreement and are not obligated to limit the amount they charge; the member is responsible for paying any difference to the non-participating dentists.

Welcome to Delta Dental

Welcome to Delta Dental of Minnesota. We've designed your dental plan so it is easy to use and gives you and your family maximum flexibility, network savings, an unparalleled commitment to service and peace of mind. Together with your employer, our goal is to help you maintain healthy, happy smiles all year round.

Prevention is the key to good long-term oral health

Our plans are designed to encourage you to visit the dentist and help ensure your basic dental needs are met in a timely, cost-effective manner.

Access to regular checkups and sound preventive care are key to long-term oral health. Furthermore, new research suggests that good oral health can positively impact the burden of illness caused by cardiovascular disease and diabetes.

In addition to visiting your dentist for regular preventive care, talk to your dentist about your specific oral health needs. Your dental plan is intended only to help you pay for care—your dentist is the one who will help you determine your actual care needs.

Helpful Online Tools

As part of our commitment to your long-term oral health, we provide members free access to valuable oral health information and dental benefit tools through our Web site, www.deltadentalmn.org.

Frequently Asked Questions

May I go to any dentist?

You have the freedom to see any dentist. However, dentists who participate in our Delta Dental PPO (formerly DeltaPreferred Option) or Delta Dental Premier networks have agreed not to charge more than our maximum allowable amount. This can result in lower out-of-pocket costs. Choosing a dentist in the Delta Dental PPO network may save you even more money. As an added convenience, you never have to file a claim when you use a participating dentist—the dentist files the claim for you.

Through a unique contractual agreement, Delta Dental maintains a network of participating dentists that includes about 80 percent of the licensed, practicing dentists in Minnesota. In Minnesota, Delta Dental PPO has about 1,300 participating dentists, while Delta Dental Premier has about 2,500 participating dentists. Nationally, Delta Dental PPO has about 56,000 participating dentists. Delta Dental Premier is the largest dental network in the country with about 117,000 participating dentists.

How do I find a participating dentist?

Finding a participating dentist is easy. Simply visit www.deltadentalmn.org and use our interactive Dentist Search tool or call Customer Service locally at 651-406-5916 or toll free at 1-800-553-9536.

What happens if I visit a non-participating dentist?

If dental services are received from a non-participating dentist, you will be responsible for paying the difference between our maximum allowable amount and what the dentist charges. You may be responsible for submitting your own claim. The address to submit claims is on the back of your Delta Dental ID card. In addition, reimbursement for covered services will be paid directly to you.

What if I have an emergency outside the United States?

Delta Dental automatically includes international emergency coverage in 137 countries. English-speaking customer service representatives are available 24 hours a day, seven days a week to help members arrange emergency care. For more information, visit www.deltadentalmn.org.

How do I find out if my claim was paid?

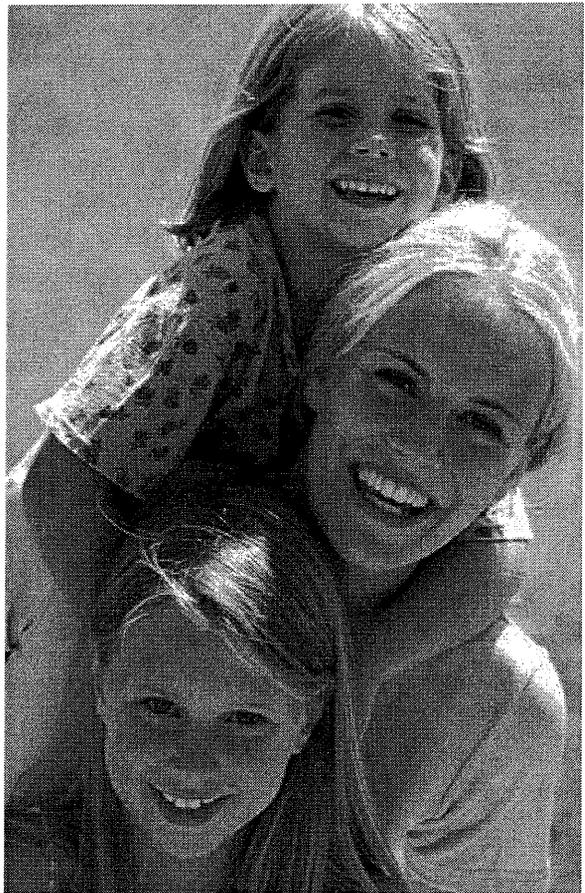
Our online claims inquiry tool provides claims detail. Our Web site offers other interactive features including eligibility and benefits inquiry, oral health resources and much more. You may also call Customer Service to get claims status and payment information.

How is work in progress handled?

For services started prior to your effective date under the Delta Dental plan, payment of the claim is based on the service completion date.

How do I know how much I'll be responsible for?

For major dental procedures, the dentist can submit a pre-treatment estimate to Delta Dental of Minnesota for determination of benefits and financial responsibility prior to the service.



To learn more about your dental plan, please contact us toll free at 1-800-553-9536 or visit www.deltadentalmn.org.

An innovator in oral health benefit plans, Delta Dental of Minnesota is an independently operated, nonprofit dental services company that administers self-insured and prepaid dental service plans. Delta Dental serves more than 8,200 employer groups with more than 3.1 million members in Minnesota and across the nation. Delta Dental of Minnesota is headquartered in Eagan, and has a customer service center on Minnesota's Iron Range.

APPENDIX D - CITY OF DULUTH & SUBGROUP NUMBER ASSIGNMENTS

GROUP NUMBERS

<u>EMPLOYEE GROUP</u>	<u>LOW OPTION</u>	<u>HIGH OPTION</u>
Basic	000405-0001	000405-0015
Confidential***	000405-0004	000405-0019
Fire	000405-0003	000405-0013
Legislative & Executive	000405-0014	000405-0016
Police	000405-0002	000405-0018
Supervisory	000405-0005	000405-0017
<i>Airport - Subgroup</i>	<i>000405-0006</i>	
<i>DECC - Subgroup</i>	<i>000405-0007</i>	<i>000405-0020</i>
<i>HRA - Subgroup</i>	<i>000405-0011</i>	

Low Option Coverage has a cap of \$1000 per person per year.

High Option Coverage has a cap of \$2000 per person per year.

***** CONFIDENTIAL Low Option Coverage has a cap of \$1500 per person per year (and a different City contribution for premium than the other bargaining units).**
CONFIDENTIAL High Option Coverage has a cap of \$2000 per person per year (same as all other groups - only difference is the City's contribution for premium).

APPENDIX E – EMPLOYEE ASSISTANCE PROGRAM (EAP)

MidwestEAP is the EAP provider for the City of Duluth's employees. The Airport is the only other group participating in the City of Duluth's EAP program.

Midwest EAP contract

ENCLOSED

CERTIFIED COPY OF RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DULUTH, MINNESOTA

RESOLUTION 09-0126

ADOPTED: FEBRUARY 23, 2009

RESOLVED, that the proper city officers are hereby authorized to execute an administrative services agreement with Midwest EAP Solutions, Inc., to provide employee assistance program services for city employees for year 2009, substantially in the form of Public Document No. 09-0223-10 on file with the city clerk, at an estimated cost of \$8,976, which shall be paid from the Fund 605, Agency 036, Organization 1651, Object 5319.

Resolution 09-0126 was unanimously adopted.

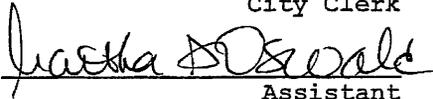
Approved February 23, 2009

DON NESS, Mayor

I, JEFFREY J. COX, city clerk of the city of Duluth, Minnesota, do hereby certify that I have compared the foregoing resolution passed by the city council on the 23rd day of February, 2009, with the original in my custody as city clerk of said city and that the same is a true and correct transcript therefrom.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said city of Duluth, this 25th day of February, 2009.

JEFFREY J. COX
City Clerk

by 
Assistant
CITY OF DULUTH, MINNESOTA



Midwest

EAP SOLUTIONS

Employee Assistance Program for The City of Duluth
Contract # 2004

Contract # 2004

PRODUCT OVERVIEW FOR The City of Duluth

Midwest EAP Solutions uses a variety of tools to help you create the organization you deserve. We've developed our comprehensive EAP solutions using strategies that our customers have proven beneficial. This is a great time to review your plan to ensure that you're using the best combination of services to meet the changing needs of your business. Your solution can include any combination of the following tools:

- ◆ *EAP services accessible face to face, over the phone, or online, using our national network of more than 20,000 EAP providers*
- ◆ *Online services covering parenting, aging, balancing, thriving, working, living, and international to help manage work and life issues, with support from Live Connect™ instant messaging with a specialist about child care, elder care and dialing living consultation and referrals*
- ◆ *Wellness services including an online fitness program, online wellness information, Nurseline services, a tobacco quitline, tobacco cessation presentations, and employee health initiative programs*
- ◆ *Drug and alcohol services including policy development, training, and chemical use assessments*
- ◆ *Organizational development to assist with changes and the growth of your business*
- ◆ *Critical incident stress debriefing*
- ◆ *Work group conflict resolution to help maintain a positive work environment*
- ◆ *Executive coaching to enhance the effectiveness of your leadership team*
- ◆ *Training and workshops that help develop your employees and build your business*
- ◆ *Enhanced legal and financial services including online legal information*

Our EAP plans can be enhanced and customized with a variety of optional services to create your total EAP solution. Whatever your needs are today, we have, or can create, the plan that will best serve you.

Overview of the Plan

At Midwest, our approach has always been preventative and proactive. We think life is a lot more manageable if the problems within it are identified and dealt with early. We believe when employees are happy and healthy, their performance and productivity improve, and so do your profits. With this in mind, we've developed the Performance™ Plan, a positive solution for your employees and your company.

THE PERFORMANCE™ PLAN (The City's Current Plan)

This is your step forward—our Performance Plan™ is a comprehensive, proactive support program designed to get your employees healthy and working smarter, and keep them productive and happy.

Key Features of the Plan

- Up to three face-to-face counseling sessions per incident per family
- Unlimited telephone consultation
- Unlimited management consultation
- Assessment and intervention for *medical* as well as behavioral health concerns
- Chemical use assessments
- Legal and financial assessment and referral
- Over-the-phone language interpretation services
- Reporting four times a year, including EAP utilization, return on investment (ROI), outcome measurement and satisfaction reports. Up to two onsite meetings per year with your assigned account manager are included at your request.
- Up to 6 hours of onsite or webinar-based manager/supervisor training and employee orientation are included annually. Upon mutual consent, the included hours can be applied to other Midwest-sponsored seminars and/or presentations with the exception of Critical Incident Stress Debriefings (CISDs). Travel costs and prep time with customized requests are separate and billed separately upon preapproval.
- Several electronic and hard copy promotional materials annually for managers/supervisors, employees, and family members including electronic newsletters, posters, stuffers, and wallet cards

Unlimited access to robust web services are also included, and are accessed through your member portal which includes valuable information for your employees and your managers/supervisors. Work & Life web content covers every topic imaginable. Self-search locators and “best of web” resources are complemented by over 5,000 articles that are updated weekly. The following chart gives an overview of what is included:

Performance Plan Web Features

Subject Tabs	Topics	Articles	Self-Search Locators & "Best of Web" Resources	Glossaries & Check Lists
Parenting	Parenting; Adoption; Child Care; Kid's Well-Being; Education	X	X	X
Aging	Disabilities; Aging Well; Planning; US Systems; Housing Options; Home Care; Health; Care Givers; Grief & Loss	X	X	X
Balancing	Personal Growth; Communication; Families; Relationships; Grief & Loss; Mental Health; Addiction & Recovery	X	X	X
Thriving	Living & Eating Healthy; Health by Life Stage; Medical Care; Health Challenges	X	X	X
Working	Accomplished Employee; Effective Manager; Career Development; Training & Development; Workplace Productivity; Diversity & Safety	X	X	
Living	Consumer Tips; Home Improvement, Buying & Selling; Financial; Legal; Legal Ready Docs; Errands Online; Safety; Pets; Travel & Leisure, Fraud & Theft	X	X	X
Other Features	Description of Content			
Savings Center	Sign up for significant savings on items for home, self and family, gifts, electronics, and more		X	
MedLine Plus	A virtual medical encyclopedia from the U.S. National Library of Medicine and National Institutes of Health	X		X
WebMD	An online physician directory with health information and symptom checker	X	X	X

THE PRODUCTIVITY™ PLAN

Building from the core principles of Employee Assistance Programs, this plan adds family, caregiving, and daily living support to help keep your employees productive. Employees have access to reliable resources and tools to quickly and easily locate providers for child and elder care, as well for schools, pet care, attorneys, medical assistance and more, saving hours of time. Your workforce is also educated and supported with valuable leadership, communication, and management skill building opportunities.

Key Features of the Productivity™ Plan

- Up to three face-to-face counseling sessions per incident per family
- Unlimited telephone consultation
- Unlimited management consultation
- Assessment and intervention for *medical* as well as behavioral health concerns
- Chemical use assessments
- Legal and financial assessment and referral
- Over-the-phone language interpretation services
- Reporting four times a year, including EAP utilization, return on investment (ROI), outcome measurement and satisfaction reports. Two onsite meetings per year with your assigned account manager are included at your request.
- Up to 6 hours of onsite or webinar-based manager/supervisor training and employee orientation are included annually. Upon mutual consent, the included hours can be applied to other Midwest-sponsored seminars and/or presentations with the exception of Critical Incident Stress Debriefings (CISDs). Travel costs and prep time with customized requests are separate and billed separately upon preapproval.
- Several electronic and hard copy promotional materials annually for managers/supervisors, employees, and family members including electronic newsletters, posters, stuffers, and wallet cards
- Monthly live topical webinars

Unlimited access to robust web services are also included, and are accessed through your member portal which includes valuable information for your employees and your managers/supervisors. Work & Life web content covers every topic imaginable. In addition, skill builders, audio tip files, self-search locators, "best of web" resources, and financial calculators and other tools are complemented by over 5,000 articles that are updated weekly. The following chart gives an overview of what is included:

Productivity Plan Web Features

Subject Tabs	Topics	Articles	Self-Search Locators & "Best of Web" Resources	Audio Files	Skill Builders & Assessments	Calculators, Glossaries, Check Lists & Tools
Parenting	Parenting; Adoption; Child Care; Kid's Well-Being; Education	X	X	X	X	X
Aging	Disabilities; Aging Well; Planning; US Systems; Housing Options; Home Care; Health; Care Givers; Grief & Loss	X	X	X	X	X
Balancing	Personal Growth; Communication; Families; Relationships; Grief & Loss; Mental Health; Addiction & Recovery	X	X	X	X	X
Thriving	Living & Eating Healthy; Health by Life Stage; Medical Care; Health Challenges	X	X	X	X	X
Working	Accomplished Employee; Effective Manager; Career Development; Training & Development; Workplace Productivity; Diversity & Safety	X	X	X	X	
Living	Consumer Tips; Home Improvement, Buying & Selling; Financial; Legal; Legal Ready Docs; Errands Online; Safety; Pets; Travel & Leisure, Fraud & Theft	X	X	X	X	X
International	Immigration; Repatriation; Relocating, Living, Working & Families Abroad	X				
Other Features & Centers	Description of Content					
Monthly Webinars	Live and archived webinars on a wide variety of topics			X		
Learning Center	Mental Health, Personal Development, Wellness, Management & Workplace, Health & Behavior, Parenting & Child care, Aging & Eldercare	X		X	X	X
Savings Center	Sign up for significant savings on items for home, self and family, gifts, electronics, and more		X			
Relocation Center	Community information, market analyses, recent home sales, and more		X			X
MedLine Plus	A virtual medical encyclopedia from the U.S. National Library of Medicine and National Institutes of Health	X			X	X
WebMD	An online physician directory with health information and symptom checker	X	X			X

THE VALUE™ PLAN

Below is our entry-level plan —our Value Plan™ .

Key Features of the Value Plan™

- Up to three face-to-face counseling sessions per incident per family
- Unlimited telephone consultation
- Unlimited management consultation
- Assessment and intervention for *medical* as well as behavioral health concerns
- Chemical use assessments
- Legal and financial assessment and referral
- Over-the-phone language interpretation services
- Reporting once a year, including EAP utilization, return on investment (ROI), outcome measurement and satisfaction reports, telephonically or by webinar.
- Access to ongoing web-based supervisor/manager training, and in-person public training sessions.
- Several electronic and hard copy promotional materials annually for managers/supervisors, employees, and family members including electronic newsletters, posters, stuffers, table tents, and wallet cards

Unlimited access to robust web services are also included, and are accessed through your member portal which includes valuable information for your employees and your managers/supervisors. Work & Life web content covers every topic imaginable. Self-search locators and “best of web” resources are complemented by over 5,000 articles that are updated weekly. An overview of what is included follows:

Value Plan Web Features

Subject Tabs	Topics	Articles	Self-Search Locators & "Best of Web" Resources	Glossaries & Check Lists
Parenting	Parenting; Adoption; Child Care; Kid's Well-Being; Education	X	X	X
Aging	Disabilities; Aging Well; Planning; US Systems; Housing Options; Home Care; Health; Care Givers; Grief & Loss	X	X	X
Balancing	Personal Growth; Communication; Families; Relationships; Grief & Loss; Mental Health; Addiction & Recovery	X	X	X
Thriving	Living & Eating Healthy; Health by Life Stage; Medical Care; Health Challenges	X	X	X
Working	Accomplished Employee; Effective Manager; Career Development; Training & Development; Workplace Productivity; Diversity & Safety	X	X	
Living	Consumer Tips; Home Improvement, Buying & Selling; Financial; Legal; Legal Ready Docs; Errands Online; Safety; Pets; Travel & Leisure, Fraud & Theft	X	X	X
Other Features	Description of Content			
Savings Center	Sign up for significant savings on items for home, self and family, gifts, electronics, and more		X	
MedLine Plus	A virtual medical encyclopedia from the U.S. National Library of Medicine and National Institutes of Health	X		X
WebMD	An online physician directory with health information and symptom checker	X	X	X

Additional information about the scope of the contract:

1. Marketing materials for the program will be sent electronically and/or in hard copy to the assigned HR Generalists of your business units on a monthly and quarterly basis. Distribution will be the responsibility of the identified HR Generalist for their employees, supervisors, and human resources staff within their assigned business unit. There are no additional charges for marketing materials.
2. Additional onsite services for trainings, workshops, and non-urgent consulting services are available at your request on a fee-for-service basis at the rates specified in the Investment section of this proposal. Travel will be billed separately.
 - a. Health & wellness and/or benefit fairs are billed at a rate of \$100 per hour. Travel-related expenses will be billed separately.
 - b. For onsite services required within 72 hours of notification, a rate of \$350 per hour will apply. Travel-related expenses will be billed separately.
 - c. For onsite services required within 24 hours of notification, a rate of \$450 per hour will apply. Travel-related expenses will be billed separately.
3. Your assigned senior account manager proactively schedules reviews of EAP utilization, return on investment, outcome measurement, and satisfaction reports. Midwest EAP Solutions recommends the formation of an EAP committee for these meetings so all interested parties are advised of the EAP activities and results, and Midwest EAP Solutions' team can respond to your business units' specific interests and needs. As an alternative to having an EAP committee, Midwest is open to following up proactively with the HR Generalist assigned to specific business units and the risk management area.
4. An annual review of the EAP provider network is included. Midwest EAP Solutions will honor requests to include specific providers, assuming they are in good standing and meet our clinical requirements and availability standards.
5. Optional SAP Services: Using a credentialed national network of qualified Substance Abuse Providers as defined under Department of Transportation regulations, Midwest EAP Solutions supports clients through the referral, treatment, aftercare and compliance processes. SAP referral services include the following:
 - a. Confirmation of initial appointment with a qualified professional
 - b. Recommendations and referral of employee to appropriate treatment and/or other program(s)
 - c. Monitoring of treatment and/or other program(s)
 - d. Confirmation of follow-up appointments
 - e. Compliance filings with the employer and other agencies

The initial chemical use assessment and recommendations for treatment by a Substance Abuse Professional (SAP) will be prepaid (cashiers check or money order) by the employee or employer at a cost of \$625. Any follow-up appointments required based on recommendations of the SAP would need to be prepaid by the employee or employer at \$145 per hour. Upon initial prepayment, Midwest EAP Solutions will schedule appointments between the provider and the employee. Midwest EAP Solutions will be available to both the organization and the SAP for consultations and/or addressing problem areas, as needed, throughout the recommended treatment and follow-through process.

Absence Management (Additional Add-On Service)

Midwest EAP Solutions works with employees who have lost time from work due to FMLA, workers compensation, personal leave, or short- or long-term disability. We help them to achieve their work goals and fulfill their potential through realistic assessment, planning, case management, education and therapeutic intervention.

We have developed a qualified team of specialists in rehabilitation consulting, psychology and social work that is committed to assisting people as they return to work and/or increase their quality of life. We welcome the development of partnerships with your lost-time benefit providers in working toward achieving this goal.

- ◆ Help in understanding the individual's disability and how it can affect employment
- ◆ Assistance in making EAP referrals
- ◆ Consultation regarding successful strategies for re-integration back to work
- ◆ Collaboration with your benefits plan, case managers, disease management or worker's compensation programs

- ◆ Assessment and referral for psychosocial issues
- ◆ Financial management referrals
- ◆ One-to-one counselor-initiated sessions, which can be related to injury, disability, work and loss issues or regarding a personal issue regarding an unrelated matter
- ◆ Phone consultations, initiated by a counselor, to create a plan and obtain options, review choices, and find information related to their injury, benefits, etc. (Who to talk to, what questions to ask, what is available, etc.)
- ◆ Ongoing counselor-initiated phone support until the employee returns to work or and other mutually agreed-upon resolution

- ◆ Return to work (FT or PT)
- ◆ A return to work plan with specific target date
- ◆ Voluntary removal from the labor market
- ◆ Reduction in benefit payments
- ◆ Follow-through with counseling recommendations

Other Options

- One, four, or five face-to-face EAP sessions
- Training and workshop opportunities help develop your employees
- Reliable health information from registered nurses with Midwest's Nurseline
- Absence Management services (see details on previous page)
- Unlimited free telephonic legal services and local referral for in-person representation with Enhanced Legal™ including:
 - Free will preparation
 - ID theft and fraud protection
 - Tax/IRS hotline
 - Unlimited document review
 - Attorney letters and phone calls on behalf of members
 - Free power of attorney, deed, promissory note and living will
 - Coverage for parents and in-laws
 - Free telephone advice and consultation
 - Legal billing review
 - 25% discount on attorney fees for all other legal matters
- Financial counseling and debt management with Enhanced Financial™ including:
 - Toll-free information line—Financial counselors address questions on all types of financial issues and follow up by mailing supporting educational materials
 - Financial counseling—Certified Consumer Credit Counselors provide hour-long confidential counseling sessions addressing an individual's specific concerns and resulting in a written plan of action
 - Debt management plan—We are able to work with creditors to provide repayment plans for unsecured debt
 - Bankruptcy prevention unit—Specialists ensure that consumers understand the ramifications of bankruptcy filing and help determine other options
 - Credit report review—Credit reports and credit scores are provided to the employee for \$10 per report and Certified Credit Report Review Specialists are available to clarify the content and discuss options, rights and responsibilities
 - Housing education—Counselors assist consumers in preparing for home purchase, or options around keeping the home in cases of financial distress
 - Nationwide referral database—We maintain a database of non-profit referral sources for consumers in need
 - Educational materials—Available online or in hard copy, we have a comprehensive library of financial educational materials in English and Spanish
 - Access to Certified Financial Planners (CFP) who are able to answer general questions about financial planning and long-term goal setting
 - Strategic financial planning—A \$75 counseling session with a CFP who will address specifics of a consumer's long term plan, including goals, retirement planning, investment planning, insurance needs and estate planning.

Your EAP Investment

Estimates

These estimates are based on up to 870 employees (full and part time) and include all family members and significant others throughout the U.S. Estimates are guaranteed for 30 days from the date of this proposal. (The estimated 870 employee count includes an estimated Airport employee count of 20.)

	One Year Contract	Three Year Contract			Five Year Contract				
		1 st Year	2 nd Year	3 rd Year	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Value EAP Services	\$.73 PEPM	\$.68 PEPM	\$.73 PEPM	\$.79 PEPM	\$.68 PEPM	\$.68 PEPM	\$.73 PEPM	\$.73 PEPM	\$.79 PEPM
Performance EAP Services	\$.88 PEPM	\$.77 PEPM	\$.88 PEPM	\$.94 PEPM	\$.77 PEPM	\$.77 PEPM	\$.88 PEPM	\$.88 PEPM	\$.94 PEPM
Productivity EAP Services	\$.94 PEPM	\$.92 PEPM	\$.94 PEPM	\$.95 PEPM	\$.92 PEPM	\$.92 PEPM	\$.94 PEPM	\$.94 PEPM	\$.95 PEPM
Additional Training and Consulting	\$ 205/hr	\$ 205/hr	\$ 205/hr	\$ 205/hr	\$ 205/hr	\$ 205/hr	\$ 205/hr	\$ 205/hr	\$ 205/hr

All EAP rates are on a per employee, per month basis and are guaranteed through the duration of the contract. With a multi year contract, termination is possible before the first year anniversary, upon a minimum 90-day written notice. Training and Consulting rates are exclusive of travel-related expenses, which are billed separately upon pre-approval by The City of Duluth.

Add On Absence Management™ Services

Pricing for the Absence Management Services will be based on additional information provided by The City of Duluth regarding the number of claims and average lost time over the past two years. In addition, pricing may be impacted by the level of customization or involvement you wish to have in the service delivery and reporting process. We will meet with you to discuss how you would like your Absence Management program set up prior to determining the price point.

We View Our Success Through Your Eyes

Your employees are your biggest investment *and* your biggest asset. When they're feeling good—physically, mentally and emotionally—their performance improves. The company is more productive, and everyone profits. It's our privilege to partner with you in achieving your goals.

EAP Contract Renewal/Change Form

Company The City of Duluth and the Duluth Airport Authority Company # _____

Contract Renewal Period 3/15/09 to 3/15/10 # of Employees 850 (combined)

Billing Cycle Annual Semi-Annual Quarterly Monthly Self-initiated

(Rates shown are per employee per month, and include all family members and significant others)

	2009	2010	2011	2012	2013
Value Plan	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Performance Plan	\$.88 PEPM	\$ _____	\$ _____	\$ _____	\$ _____
Productivity Plan	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Nurseline	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Absence Management	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL	\$ 8,976	\$ _____	\$ _____	\$ _____	\$ _____

Plan Selected: Value Performance Productivity
 Options Selected: Nurseline Absence Mgmt. Other _____

EAP Service Agreement for Employer:

This EAP Service Agreement ("Agreement") is made effective March 15, 2009 by and between Midwest EAP Solutions, Inc. ("Midwest"), and City of Duluth, a Minnesota municipal corporation and the Duluth Airport Authority (the City of Duluth and the Duluth Airport Authority, hereinafter jointly referred to as "Employer").

WHEREAS, the Employer has decided to offer an Employee Assistance Program ("EAP") to benefit eligible Employees ("Employees") and their Dependent family members ("Dependents"), and,

WHEREAS, Midwest is interested in providing EAP services to Employer, Employees, and Dependents.

NOW THEREFORE, in consideration of these premises and mutual covenants, Midwest and Employer (together referred to herein as "Parties" and individually as "Party") agree as follows:

1. Midwest will be available to provide all Employees and Dependents with personal assessments, consultations, and referral services related to any personal, social, or work/life related problems under the terms and conditions described in this document.
2. Midwest will not make medical diagnoses related to physical conditions of Employees or Dependents but Midwest shall make its best effort to refer such Employees or Dependents to appropriate medical resources.
3. Midwest will treat and maintain all information received from Employer, Employees, and Dependents as confidential and in keeping with applicable HIPAA, federal, and state privacy laws.
4. Midwest shall be available to the Employer for consultations and technical assistance relative to the operation, function, utilization and promotion of the EAP to Employees and Dependents.
5. Midwest shall provide regular reports to Employer regarding utilization of the EAP by Employees and Dependents but such reports will not contain names or identifying information.
6. Midwest shall provide EAP related educational and promotional materials to Employer for use with Employees and Dependents.
7. Employer will timely remit amounts due Midwest within 30 days of receiving invoice.
8. Employer agrees that this Agreement shall be made effective and continue in force for the Contract Period indicated in the EAP Contract Renewal/Change section.
9. Midwest and Employer agree that this Agreement shall automatically renew for consecutive one-year periods at the end of the Contract Period indicated in this document unless one Party provides written notice of termination to the

other at least 90 days prior to the renewal date. Contracts that auto-renew will be billed at an increase of 5% over the existing contractual rates.

IN WITNESS WHEREOF, Midwest and Employer have caused this Agreement to take effect upon their signatures below:

Midwest EAP Solutions

By: Douglas F. Danek
Its: CEO
Date: 2/17/09

City of Duluth, Organization

By: [Signature]
Its: Mayor
Date: 2-25-09

By: [Signature]
Its: City Clerk
Date: 2-26-09

By: [Signature]
Its: City Auditor
Date: 2/26/09

By: [Signature]
Its: City Attorney
Date: 2/25/09

Duluth Airport Authority

By: [Signature]
Its: Duluth Airport Authority
Board President
Date: 2-17-09

By: [Signature]
Its: Duluth Airport Authority
Board Secretary
Date: 2-17-09

APPENDIX F – FLEXIBLE SPENDING ACCOUNT (FSA)

SuperiorUSA administers the City of Duluth's medical and dependent daycare reimbursement account plans. The Airport is the only other group participating in the City of Duluth's FSA program.

SuperiorUSA contract

ENCLOSED

CITY OF DULUTH
FLEXIBLE BENEFITS PLAN
ADMINISTRATIVE SERVICES AGREEMENT

THIS AGREEMENT is by and between the CITY OF DULUTH (City) and SUPERIORUSA BENEFITS CORPORATION (Contract Administrator).

The City has adopted a Flexible Benefits Plan for its employees in accordance with the terms and regulations of Section 125 of the Internal Revenue Code. The City has engaged Contract Administrator to establish and administer this Plan. Contract Administrator agrees to provide administrative services as shown in this Agreement. The City agrees to assist Contract Administrator by performing the functions as shown, and to compensate Contract Administrator as shown in this Agreement.

SECTION 1 - CONTRACT ADMINISTRATOR RESPONSIBILITIES

Contract Administrator shall, on behalf of the City, perform the following services:

Plan Installation

- 1.1 Assist the City's attorney in preparation and completion of all Plan documents or amendments necessary for the installation of the Plan.
- 1.2 Prepare Adoption Agreement and provide a Summary Plan Description (SPD) for the City to distribute to its employees.
- 1.3 Explain the Plan and its advantages to the City's employees.
- 1.4 Coordinate enrollment information, install employee base on administrative software and provide related reports to City.
- 1.5 Provide benefit communications and one-to-one enrollment counseling.

Plan Administrative Services

- 1.6 Determine eligibility for participation, benefits, top heavy status.
- 1.7 Prepare statements to participants each payroll period showing benefits paid and account balance and activity.
- 1.8 Maintain records of all City employees, including those not eligible to participate in the Plan, with respect to breaks in services, hours worked, date of birth, date of hire, marital status, and account selection.

- 1.9 Prepare statement of benefits for participants who terminate by reason of death, disability, retirement, or termination of employment.
- 1.10 Prepare all required IRS forms.
- 1.11 Conduct an annual employer and/or employee meeting to explain the Plan and Participant Plans.
- 1.12 Provide assistance to the City in establishing administrative procedures and develop the necessary forms and systems to complete such procedures.
- 1.13 Continually monitor the Plan with respect to changes in the law and advise the City and its attorney of any changes which are required.
- 1.14 Coordinate the duties of the Plan Administration or Administrative Committee, accountant, attorney, and other advisors so as to permit trouble-free operation of the Plan.
- 1.15 Process claims received from participants, prepare benefit checks in appropriate amountsshowing account activity and balances, and mail benefit checks directly to participants on a schedule generally coextensive with the City's issuance of payroll checks.
- 1.16 Update and provide reports on changes in employee census and enrollment information.

Plan Termination Services

- 1.17 Assist the City's attorney in preparation and completion of documents and amendments necessary for the dissolution of the Plan and/or Trust.
- 1.18 Prepare and submit "IRS" forms required for qualification of the termination of the Plan and/or Trust.

SECTION 2 - CITY RESPONSIBILITIES

City shall have responsibility for the following:

- 2.1 Assist Contract Administrator in conducting the enrollment of City employees by following the standard enrollment procedures developed by Contract Administrator.
- 2.2 Upon notice of the total amount of Plan benefit checks to be issued, cause sufficient funds to be deposited with Contract Administrator to fund said checks.

- 2.3 City shall be responsible for all appeals of requests for reimbursements denied by Contract Administrator.

SECTION 3 - ADMINISTRATIVE FEES

- 3.1 The monthly administrative fee for each participant enrolled in the Flexible Spending Account for Dependent Day Care and/or Unreimbursed Medical Expenses is \$3.25 in January 2009 and \$3.50 beginning February 1, 2009.
- 3.2 The annual administrative fee is \$1,500. This includes processing of Form 5500.

If on-site enrollment is requested by the City, the Contract Administrator will charge an additional fee of \$1,250 for this service.

There are no additional charges except for any unusual work needed as a result of incorrect or incomplete information provided by the City. This work will be billed at an hourly rate of \$25.

The monthly administrative fees shall be paid by the 15th of each month. If the City fails to make a required monthly payment on a timely basis, Contract Administrator is authorized to deduct its fees from the Plan Deposit Account in order to assure the continuity of claims processing. If sufficient funds are not available to do so, Contract Administrator may suspend the performance of its services to the Plan until such time as the City makes the proper remittance or until this Agreement is terminated as provided under Section 4.

SECTION 4 - EFFECTIVE DATE/TERMINATION OF AGREEMENT

- 4.1 This Agreement shall be effective on January 1, 2009, and shall terminate on December 31, 2009, unless terminated earlier pursuant to this section.
- 4.2 This Agreement may be terminated by either party for any reason by written notice to the other party at least 30 days prior to the termination date. If the City fails to pay administrative fees as required, Contract Administrator is entitled to cancel this Agreement effective immediately upon the delivery of written notice of termination to the City.
- 4.3 All obligations, duties, responsibilities and rights of Contract Administrator under this Agreement shall be terminated on the date of termination given in the notice. Contract Administrator shall not be responsible for taking any further action with respect to the Plan, except that if the City formally requests Contract Administrator to complete any remaining Plan transactions (i.e., claims incurred prior to the termination date but submitted thereafter; contributions not previously remitted by the City; etc.), Contract Administrator shall do so for a period of three months after the date of termination and shall be paid the monthly administrative fees provided for under this Agreement for each of those months.

- 4.4 Contract Administrator shall, within 90 days after the date of termination, or of the three month extension, if provided, deliver to the City a complete and final accounting of the financial status of the plan. Upon the request and at the expense of the City, Contract Administrator shall make available all Plan related documents, files and records and shall arrange for the delivery of this material to the City or its designated representative. Contract Administrator retains the right to keep copies of all documents.

SECTION 5 - MISCELLANEOUS PROVISIONS

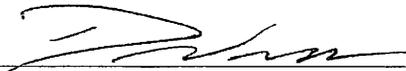
- 5.1 Contract Administrator is and shall remain an independent contractor with respect to the services performed by Contract Administrator and shall not for any purpose be deemed an employee of the City, nor shall the relationship of the parties be deemed that of partners or joint venturers. Contract Administrator does not assume any responsibility, risk, liability or obligation for the general policy direction of the Plan, the adequacy of the funding thereof, or any act or omission or breach of duty by parties other than Contract Administrator. Contract Administrator shall not be deemed an insurer, underwriter or guarantor with respect to any benefits payable under the Plan. Nothing contained herein shall obligate the City to utilize Contract Administrator as its agent or broker in providing fringe benefits to employees.
- 5.2 If any provision of this Agreement is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, and this Agreement shall be construed and enforced as if such provision had not been included.
- 5.3 This Agreement may be amended by the City and Contract Administrator at any time by mutual written consent of both parties, provided, however, that this Agreement may not be amended to reduce any benefits which might be paid for any cause prior to the amendment, or, in any way, to prejudice such a claim.
- 5.4 The City hereby is designated as agent for service of legal process on behalf of the Plan at its principal office.

5.5 It is understood and agreed that the City is the named Plan Administrator within the meaning of Section 3(16)(A) of ERISA and Section 414(g) of the Internal Revenue Code of 1954, as amended, and by this Agreement the City delegates the ministerial duties described to Contract Administrator.

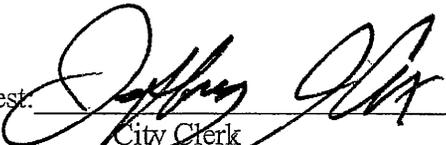
IN WITNESS WHEREOF, the City and Contract Administrator have executed this Agreement this 2nd day of March, 2009.

CITY OF DULUTH

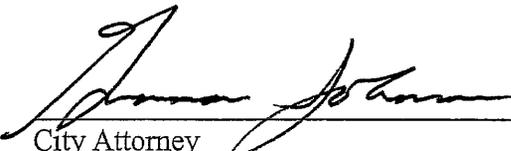
SUPERIORUSA BENEFITS CORPORATION

By 
Mayor

By 

Attest: 
City Clerk

Approved as to form:


City Attorney

Countersigned:


City Auditor

CERTIFIED COPY OF RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DULUTH, MINNESOTA

RESOLUTION 09-0127

ADOPTED: FEBRUARY 23, 2009

RESOLVED, that the proper city officers are hereby authorized to execute an administrative services agreement with SuperiorUSA Benefits Corporation to provide communication, implementation and management of a flexible benefits plan for city employees for year 2009, in accordance with the provisions of Section 125 of the Internal Revenue Code, which agreement shall be substantially in the form of Public Document No. 09-0223-20, on file with the city clerk, at an estimated cost of \$14,860, which shall be paid from the General Fund 110, Department 700, Division 1431.

Resolution 09-0127 was unanimously adopted.

Approved February 23, 2009

DON NESS, Mayor

I, JEFFREY J. COX, city clerk of the city of Duluth, Minnesota, do hereby certify that I have compared the foregoing resolution passed by the city council on the 23rd day of February, 2009, with the original in my custody as city clerk of said city and that the same is a true and correct transcript therefrom.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said city of Duluth, this 25th day of February, 2009.

JEFFREY J. COX
City Clerk

by 
Assistant
CITY OF DULUTH, MINNESOTA

20821-00

APPENDIX G – LIFE INSURANCE

Minnesota Life is the provider for City of Duluth employees and eligible retirees. The Airport is the only other group participating in the City of Duluth's term life insurance benefits program.

All full-time, benefit-eligible City of Duluth employees receive a \$50,000 term life insurance benefit with premiums fully subsidized by the City. Eligible City retirees qualify for a \$25,000 term life insurance benefit and premiums are paid by the City of Duluth.

The City of Duluth also offers employees a group decreasing term life insurance benefit through NCPERS (a non-profit organization that provides education and support to public employee retirement systems).

MN Life Insurance Summary

SAMPLE LIFE CERTIFICATE AVAILABLE ON-LINE AT:

<http://qweb1.lifebenefits.com/grppd/CityOfDuluth/PlanOverview.do%20>

The Municipal Pool Optional Term Life Plan & Rate Summary

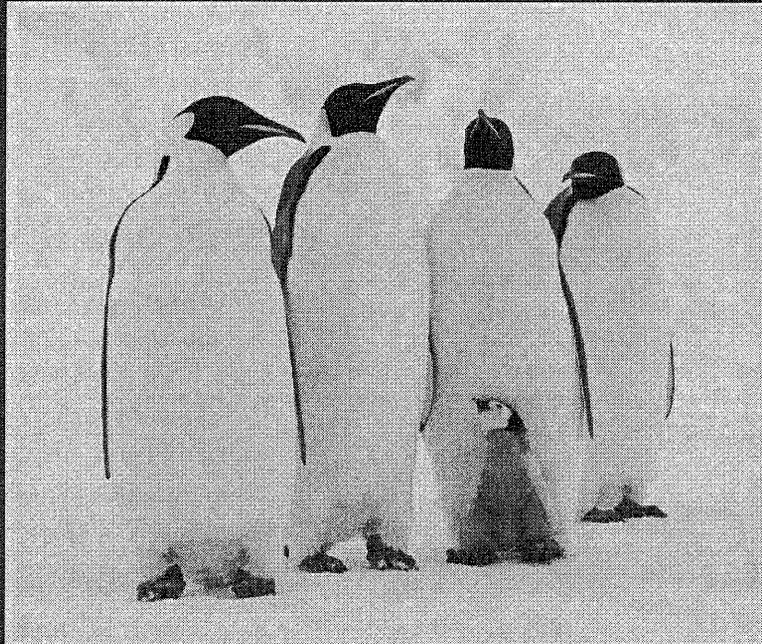
<http://www.duluthmn.gov/employment/Benefits/2009%20-%20MN%20Life%20Ins%20Rate%20Sheet.pdf>

PERA Life Insurance booklet

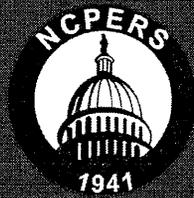
ENCLOSED

MINNESOTA

Extra Protection For Your Family



Group Decreasing Term Life Insurance



The Voice for Public Pensions



The Prudential Insurance Company of America



Dear Member:

Participating in a pension plan for public employees is a great first step to protecting your family's future. But, if you're like many, your needs may not be fully met by your pension plan. That's where the NCPERS Group Decreasing Term Life Insurance Plan can help.

The plan is custom designed to give your family extra financial security when they need it most. A valuable member benefit regardless of your age, it offers supplemental protection, including:

Decreasing Term Life Insurance—
For you.

Accidental Death & Dismemberment Insurance—
For you.

Dependent Term Life Insurance—
For your spouse or domestic partner and all your children.

Plus, you get all this protection for just \$16 a month—
that's less than the cost of a cup of coffee per day.

Our plan is issued by The Prudential Insurance
Company of America—a name you know and trust.

We're pleased to offer you the opportunity to review
your insurance needs and purchase supplemental
insurance for you and your family.

Don't miss out—enroll today!

Sincerely,

Pat McElligott

President

Extra Financial Security

Designed especially for public employees like you, this voluntary plan offers a supplementary survivor's benefit to augment your retirement system's benefits.

Solid as a Rock

Since our plan's inception more than 35 years ago, Prudential has paid over \$100 million to NCPERS members and their beneficiaries. The plan is well designed and financially sound, with plan reserves committed to maximize benefits to participants. It currently serves the needs of over 85,000 state retirement system members nationwide.

For More Information

Read on to find out...

- Why you may need this extra protection.
- What kind of coverage you can get.
- What it costs.
- Why you should buy it at work.
- How and when to enroll.

“Why do I need extra protection?”

Protecting your family’s future through your pension benefit is something you can feel good about. But, how would your family support themselves if something tragic happened to you before you could accrue a substantial pension benefit? Even if your pension were sizeable, how much of it would be eaten up by costly final expenses?

Designed for employees of all ages, this Group Decreasing Term Life Insurance plan is valuable for...

Members Under 50:

It provides a substantial benefit—an easy way to supplement pension survivor benefits during the early family-building years when pension plan survivor benefits are lower and your family’s needs are greatest.

Members Over 50:

It provides a good way to help cover incidental expenses associated with death—like those for burial, medical, and debt, so other life insurance coverages can be used to maintain your family’s lifestyle.

“What coverages can I get?”

For an affordable price, you get all of the following coverages for you and your family.

Group Decreasing Term Life

This coverage—which pays your beneficiary a maximum benefit amount in your younger years and a gradually decreasing benefit amount in your older years—will help give you peace of mind for your family’s well-being.

Accidental Death & Dismemberment (AD&D)

This additional coverage pays you or your beneficiary a benefit for loss of life or other injuries resulting from a covered accident—100% for loss of life and a lesser percentage for other injuries. Injuries covered may include loss of sight and dismemberment of hands or feet.

AD&D Exclusions—No benefit will be paid due to loss from the following: war; suicide or attempted suicide; any bacterial or viral infection (unless the infection was the result of an accidental cut or wound); bodily or mental infirmity or disease, or medical or surgical treatment thereof; or by aircraft travel if you have any duties aboard the aircraft, or if you are giving or receiving training for such duties.

Dependent Term Life

This plan provides Group Decreasing Term Life Insurance for your spouse or domestic partner and a flat benefit for all your dependent children. The benefit amount will be paid to you in a lump sum on an eligible dependent’s death due to any cause. Spousal or domestic partner benefits are determined by your age at the time of your spouse’s or domestic partner’s death.

“How much does this coverage cost?”

Coverage is available at a lower group cost through the purchasing power of the National Conference on Public Employee Retirement Systems. Every member, regardless of age, pays the same cost—just \$16 a month. Your cost does not increase with your age. The plan pays a maximum benefit amount in your younger years and a gradually decreasing benefit amount in your older years.

“What are the advantages of this insurance?”

- **Guaranteed Acceptance**—no health questions asked.
- **24/7 Coverage**—on or off the job.
- **Affordable Group Cost**—\$16 a month regardless of your age.
- **Easy Payment**—by automatic payroll deductions.

Schedule of Benefits – \$16 Monthly Contribution

(Covers You, Your Spouse or Domestic Partner, and Your Children)

MEMBER				DEPENDENT	
Member's Age at Time of Claim	Group Term Life	Group Accidental Death & Dismemberment	Total Benefit For Accidental Death	Group Term Life Spouse/Domestic Partner	Child(ren)*
Less than 25	\$225,000	\$100,000	\$325,000	\$20,000	\$4,000
25 - 29	\$170,000	\$100,000	\$270,000	\$20,000	\$4,000
30 - 39	\$100,000	\$100,000	\$200,000	\$20,000	\$4,000
40 - 44	\$65,000	\$100,000	\$165,000	\$18,000	\$4,000
45 - 49	\$40,000	\$100,000	\$140,000	\$15,000	\$4,000
50 - 54	\$30,000	\$100,000	\$130,000	\$10,000	\$4,000
55 - 59	\$18,000	\$100,000	\$118,000	\$7,000	\$4,000
60 - 64	\$12,000	\$100,000	\$112,000	\$5,000	\$4,000
65 and over	\$7,500	\$7,500	\$15,000	\$4,000	\$4,000

Rates effective 6/1/2002.

Payment Examples:

1. If an insured member age 38 dies of natural causes, the beneficiary would receive \$100,000. If death is due to a covered accident, \$200,000 would be payable.
2. If the spouse or domestic partner of a 42-year-old member dies, the member would receive \$18,000.
3. If a dependent child less than age 21 dies, the payment to the member would be \$4,000.

*Unmarried children age 14 days but less than 21 years old are covered, including adopted children, stepchildren, and foster children who depend on you for support. Dependents in military service are not eligible.

For your convenience, payment is made by payroll deduction. Please send no money.

“What special features are offered?”

Waiver of Premium

If you are less than 60 years old and become totally disabled for at least nine months, your insurance may be continued without further premiums, as long as you furnish annual proof of your continued total disability satisfactory to Prudential.

Accelerated Benefit Option*

If you are terminally ill with a life expectancy of six months or less, you may receive up to 50% of your insurance benefits—up to \$112,500 in advance—provided you’ve been in the NCPERS plan for at least one year. The death benefit, payable to your beneficiary, will be reduced by that amount.

Additional AD&D Benefits

- Education Benefit
- Seat Belt Benefit
- Air Bag Benefit
- Repatriation Benefit

Conversion of Coverage

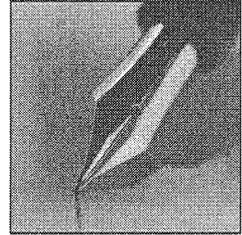
If you cease to be a member, you can convert your insurance to a Prudential individual life policy within 31 days following termination of insurance. Dependent Spouse or Domestic Partner Term Life coverage can also be converted if you cease to be a member or die.

Retirement Coverage

Coverage can be continued into retirement if you are insured as an active member and will receive a benefit upon retiring. Simply authorize the retirement system to deduct your contributions from your retirement check.

“How can I enroll?”

You may enroll within 90 days of the date of your employment or during the open enrollment period.



To enroll, complete and print out the Enrollment/Change of Beneficiary Form—making certain to complete the form in full to avoid any problems with future claims submission.

Submit your completed enrollment form to your employer. Your employer will begin payroll deductions and forward your enrollment information to American Administrative Group, Inc.

*Special rules may apply to residents of Minnesota.

Domestic partners may not be recognized in all states.

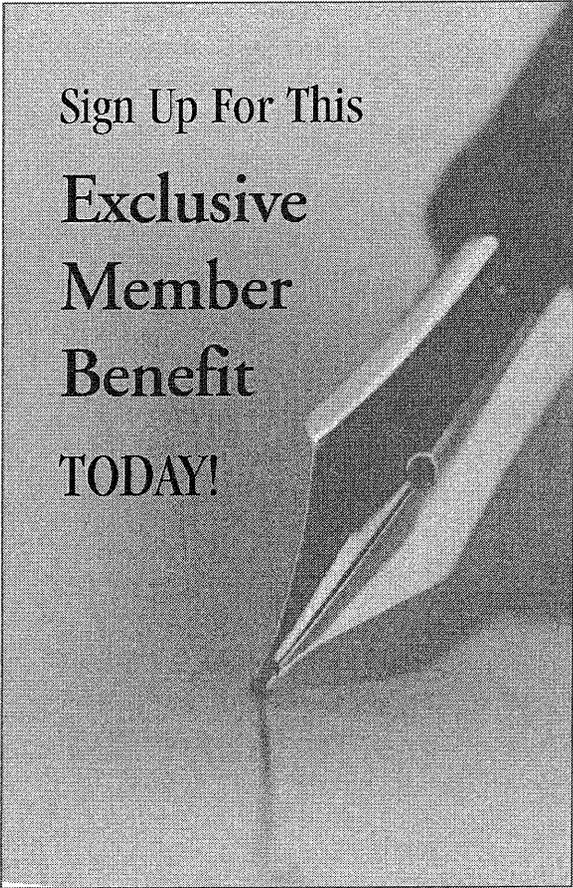
“More questions?”

- Q** Is a medical exam required?
- A. No, you and your family are guaranteed coverage without having to answer any health questions or take any medical exams.
- Q** Does the plan pay in addition to a retirement system's survivor benefits?
- A. Yes, this plan will pay a benefit in addition to pension and other insurance plans you may have.
- Q** Who is eligible for this coverage?
- A. All active members of the retirement system who are actively at work may enroll.
- Q** When will my coverage go into effect?
- A. If you enroll within 90 days of your date of employment, you will become insured on the first day of the month following your first payroll deduction. If you enroll during the open enrollment period, your coverage begins on the first day of the month following your first payroll deduction after open enrollment. Dependent coverage begins when your insurance coverage becomes effective. If a dependent is confined for medical treatment, coverage will become effective when the dependent is released by a doctor from such confinement.
- Q** When will my coverage end?
- A. Coverage will end if you discontinue payments, cease to be a member of the eligible classes, or if the plan is discontinued. Refer to the Booklet-Certificate for details.
- Q** What if I want to change my beneficiary?
- A. To change your beneficiary, simply indicate your new designation on the Enrollment/Change of Beneficiary Form and return it to your employer.

“How do I get more information?”

For additional information about life insurance or how to file a claim, please contact:

American Administrative Group, Inc.
NCPERS Insurance Plan Administration
10303 E. Dry Creek Road, Suite 200
Englewood, CO 80112
Phone: (800) 525-8056
E-mail: aag_ncpers@aagco.com
<http://www.gallagherbyerlyinc.com/ncpers%5FMN/>



Sign Up For This
Exclusive
Member
Benefit
TODAY!

Note to Employer

Please complete the sections on the form noted "For Employer." Additionally, it is important that you review the form for complete information. All sections must be completed in order for Prudential to process claims. Please submit the completed enrollment form to American Administrative Group, Inc. at the below address.

American Administrative Group, Inc.
NCPERS Insurance Plan Administration
10303 E. Dry Creek Road, Suite 200
Englewood, CO 80112
Phone: (800) 525-8056
E-mail: aag_ncpers@aagco.com
<http://www.gallagherbyerlyinc.com/ncpers%5FMN/>

* Note—The acceleration of life insurance benefits offered under this certificate is intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986, IRC Section code 101(g). If the acceleration of life insurance benefits qualifies for such favorable tax treatment, the benefits will be excludable from your income and not subject to federal taxation. Tax laws relating to the acceleration of life insurance benefits are complex. You are advised to consult with a qualified tax advisor about circumstances under which you could receive acceleration of life insurance benefits excludable from income under federal law.

This brochure describes the Group Insurance Plan in a general manner. A Booklet-Certificate with complete plan information, including limitations and exclusions, will be provided when you enroll. If there is a discrepancy between this communication and the Booklet-Certificate issued by The Prudential Insurance Company of America, the Booklet-Certificate will govern.

NCPERS is a non-profit organization organized to provide education and support to public employee retirement systems. NCPERS has no role in the administration of the life insurance program and the benefits are guaranteed solely by the insurance carrier. NCPERS is compensated solely for the use of its name, service marks, and mailing lists.

Group Decreasing Term Life Insurance, Dependent Group Decreasing Term Life Insurance, and Accidental Death & Dismemberment Insurance are issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, New Jersey 07102.

This policy provides ACCIDENT insurance only. It does NOT provide basic hospital, basic medical, or major medical insurance as defined by the New York State Insurance Department.

The plan is administered by American Administrative Group, Inc. American Administrative Group, Inc. and Gallagher Benefit Services, Inc. are not Prudential Financial companies.

Prudential and the Rock logo are registered service marks of The Prudential Insurance Company of America.



MINNESOTA NCPERS PLAN

ENROLLMENT/CHANGE OF BENEFICIARY

New Member Enrollment Open Enrollment Change of Beneficiary

Be sure to:
 1. Type in your information.
 2. Print out and sign the form.
 3. Return the form to your employer.

Member Last Name	First Name	Middle Name		<input type="checkbox"/> Male	<input type="checkbox"/> Female
Street	City	State	ZIP Code	Home Phone Number	
Date of Birth	Social Security Number				
Occupation of Member	Member's Date Employed	Actively at Work?	<input type="checkbox"/> Yes	<input type="checkbox"/> No—You are not eligible for this coverage.	
Beneficiary—Full Name (Example: Mary A. Doe, not Mrs. John A. Doe)			Relationship of Beneficiary		
Address of Beneficiary	City	State	ZIP Code		
% of Benefit to be Distributed					

FOR EMPLOYER: Please show date of first deduction _____ (Mo. Day Yr.)

EMPLOYER Unit No. 430001

I declare the above statements and answers are complete and true and understand they are the basis for providing life insurance under a plan (or plans) issued by The Prudential Insurance Company of America to the National Conference on Public Employee Retirement Systems, in which I will participate upon becoming insured. I hereby authorize my employer to deduct from my wages amounts equal to the contributions required for me toward the premiums for Group Insurance under the NCPERS plan issued by Prudential. A photographic copy of this authorization shall be as valid as the original. The effective date of coverage will be the first day of the month following payment of my contribution through payroll deductions.

Name of Employer	City	State	ZIP Code
Signature of Member	Date		

Warning: Any person who knowingly and with intent to injure, defraud, or deceive any insurance company or other person, or knowing that he is facilitating commission of a fraud, submits incomplete, false, fraudulent, deceptive, or misleading facts or information when filing a statement of claim for payment of a loss or benefit, commits a fraudulent insurance act, is guilty of a crime, and may be prosecuted and punished under state law. Penalties may include fines, civil damages, and criminal penalties, including confinement in prison. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant or if the applicant conceals, for the purpose of misleading, information concerning any fact material thereto.

APPENDIX H – DEFERRED COMPENSATION PLAN

The City of Duluth makes available to employees five (5) different plan providers. The Airport participates in the City's Deferred Compensation Plan arrangement. A summary of the providers is enclosed.

Deferred Comp Plan Summaries

ENCLOSED

APPENDIX H - DEFERRED COMPENSATION PLAN SUMMARIES

Deferred Compensation Plan Comparison

	Hartford Life Deferred Compensation Plan (Group # 107676)	ICMA Retirement Corporation Deferred Compensation Plan # 302287	Minnesota State Deferred Compensation Plan MNDCP – (Great West)	Nationwide Deferred Compensation Program (Entity #2304UF)
Local Plan Administrator	Robert Farden	Tom Hilson Retirement Plans Specialist	Minnesota State Retirement System Medical Arts Building, Duluth 324 W. Superior Street, Suite 204	Steve Carlson Retirement Specialist
Local Representative Phone Numbers and Customer Service Hours	Robert Farden – (218) 624-2884, Monday - Friday 8:00 - 4:30	(866) 822-3631 8:00 a.m. to 6:00 p.m. Central Time	David Wright - (218) 740-3151 Kristen Kesty - (218) 740-3719 Weekdays: 8:00 am – 4:30 pm	1-877-677-3678, option 8, ext. 42094 Monday – Friday: 7 a.m. – 8 p.m. CT
National Representative Phone Numbers and Customer Service Hours	1-800-528-9009 , 2 for Customer Service	(800) 669-7400 ext: 0 7:30 am to 8:00 pm Central Time	1-877-457-6466 (toll-free) Weekdays: 8:00 am – 4:30 pm Call center located in Minnesota.	1-877-677-3678, select *0 to speak with a representative or your assigned representative Neal Koenig at extension 43436.
Automated Telephone Voice Response System and Availability	1-800-528-9009 , 1 for Automated System	(800) 669-7400 Available 24/7	"KeyTalk" automated system, 1-877-457-6466 Available 24 hours a day.	1-877-677-3678, select option 1 24 hours per day, seven days per week
E-mail Questions	robert.farden@edwardjones.com	E-mail questions to investorservices@icmarc.org	david.e.wright@state.mn.us	carlsos2@nationwide.com
Website	www.retire.hartfordlife.com	www.icmarc.org	www.mndcplan.com Free 24 hour account access.	www.nrsforu.com
Investment Options	48 Fund Choices 2 stable value funds 5 bond funds 7 asset allocation 15 large Cap funds 4 mid cap funds 3 small cap funds 6 specialty funds 6 international funds	49 investment options: ✓ 8 time-based lifecycle funds ✓ 5 risk-based lifestyle funds ✓ 2 balanced funds ✓ 1 stable value fund ✓ 1 money market fund ✓ 4 U.S bond funds ✓ 24 U.S. equity funds ✓ 4 international equity funds	13 investment options: 5 U.S. equity funds 2 international equity funds 2 balanced funds 2 U.S. bond funds 1 fixed interest fund 1 money market fund Plus hundreds of No Transaction Fee (NTF) mutual funds available through Ameritrade for an additional \$15 per quarter (optional).	26 investment options: ✓ 5 risk-based asset allocation funds ✓ 2 specialty funds ✓ 2 international funds ✓ 3 small cap funds ✓ 3 mid cap funds ✓ 6 large cap funds ✓ 3 bond funds ✓ 1 money market fund ✓ 1 fixed option
Quarterly Account Statements	Yes, mailed to participants; can also be viewed on-line	Yes. Mailed to participant's home 10 business days after quarter-end.	Yes. However, participants can opt-out of mailings and receive statements on-line.	Yes. Mailed to participant's address on file.
Financial Planning Services	Yes. Free financial assessment analysis retirement planning tools on website also available.	Fee-based financial plans available. Managed accounts available early 2007.	Free personalized online investment advice and fee-based managed accounts available in fall 2009.	Yes. Personal Retirement Consultants available.
Enrollment	Can be done any time during the year	Enrollment available any time of year. Retirement Plans Specialist on site quarterly for educational seminars with individual consultations available at anytime.	Local licensed representatives available any time of the year to discuss investment options and enrollment.	Enroll any time at your convenience over the phone or face-to-face with Steve Carlson.

	Hartford Life Deferred Compensation Plan (Group # 107676)	ICMA Retirement Corporation Deferred Compensation Plan Plan # 302287	Minnesota State Deferred Compensation Plan MNDCP – (Great West)	Nationwide Deferred Compensation Program (Entity #2304UF)
Annual Account Fees	No	No.	No	No.
Daily Asset-Based Charges	75 - 90 bps	0.55% administration fees on all assets; additional 0.15% fee on assets in non-proprietary funds.	0.10% annual administrative fee, charged only on the first \$100,000 in an individual account.	0.50% annual administrative fee on all variable fund assets. 0.25% annual administrative fee on fixed account option.
Fund Operating Expenses	Varies by investment option, from 0.0% to 2.42%	Fund expenses range from 0.46% to 1.40%	Fund expenses range from 0.01% to 0.93%. Six funds with operating expenses below 0.10% (1/10 th of 1%).	Fund expenses range from 0.00% to 1.40%.
Expenses: Load, Risk & Mortality, Annuity Purchase, Transaction Fees, Surrender Charges	Load, Risk & Mortality, Annuity Purchase, Transaction Fees, Surrender Charges: CDSC - 5% - years 1 & 2 4% - years 3 & 4 3% - year 5 2% - year 6 1% - year 7 0% - year 8	None, other than those described above. No surrender charges or market value adjustments.	None charged by MNDCP. (Note: The Fidelity Diversified International Fund applies a 1% fee to redemptions of only those shares held less than 30 days and the Vanguard Institutional Developed Markets Index Fund applies a 2% fee to redemptions of only those shares held less than 60 days)	None.
Fee for Minimum Distribution	None	None	None	None
Compensation for Representatives	Included in fund operating expense.	Salaried with bonus. No compensation based on participant investment decisions.	Salaried. No commissions or bonuses.	Salary. No commissions.

APPENDIX I – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF MINNESOTA (PERA)

The City of Duluth is a municipality and, as such, is entrusted with many PERA administrative responsibilities for employee retirement benefits. The City enrolls eligible employees who qualify for PERA membership, reports wages and employment information on covered members, pays contributions and provides information about employees that have been excluded from PERA participation. Below is a link to the PERA booklets that are provided to employees during Benefit Orientation. Elected officials, such as the City of Duluth's Mayor and the Council members, are eligible for a Defined Contribution Plan under PERA. The link for the Defined Contribution Plan also follows.

Coordinated Plan booklet for AFSCME, Confidential and Supervisory employees

<http://www.mnpera.org/vertical/Sites/%7BCB6D4845-437C-4F52-969E-51305385F40B%7D/uploads/%7B25956BE8-0CEC-4B53-8052-3DAC4E07D8D6%7D.PDF>

Police and Fire booklet

<http://www.mnpera.org/vertical/Sites/{CB6D4845-437C-4F52-969E-51305385F40B}/uploads/{BDF96D91-4F49-4EB9-B13B-92522B471BCB}.PDF>

Defined Contribution booklet for Elected Officials

http://mnpera.avenet.net/index.asp?Type=B_BASIC&SEC={1F154A6F-38A2-4426-BDC9-501E1A5F6B27}&Design=PrintView

APPENDIX J – CENSUS

Employee Census Data (data extracted April 20, 2009)

Basic Unit	Confidential	Fire	Police	Supervisory	Elected Officials/ Appointments
459 employees (5 Part-time)	5 employees	129 employees	137 employees	65 employees	4 employees (Resolution assigns benefits to one of the Units)

Retiree Health Program Census Data (data extracted April 15, 2009)

- 663 City of Duluth Retirees are eligible and enrolled in the City of Duluth's Retiree Health Care Program
- 12 Duluth Airport Authority Retirees participate in a retiree health care plan under the City of Duluth's Retiree Health Care program
- 12 Duluth Entertainment and Convention Center Retirees participate in a retiree health care plan under the City of Duluth's Retiree Health Care program
- 6 Housing Redevelopment Authority Retirees participate in a retiree health care plan under the City of Duluth's Retiree Health Care program

City of Duluth Health Program Census (data extracted April 28, 2009)

City of Duluth Active Employees:

- Plan 3 EP408-B0 (Basic Unit): 313 Single contracts; 158 Family contracts
- Plan 3 EP408-W1 (Confidential Unit): 4 Single contracts; 2 Family contracts
- Plan 3 EP408-W2 (Fire Unit): 64 Single contracts; 64 Family contracts
- Plan 3 EP408-W3 (Legislative & Executive F): 7 Single contracts; 4 Family contracts
- Plan 3 EP408-W4 (Police Unit): 64 Single contracts; 72 Family contracts
- Plan 3 EP408-W5 (Supervisory Unity): 25 Single contracts; 30 Family contracts
- Plan 3 EP408-WC (COBRA): 2 Single contracts; 0 Family contracts

F Legislative & Executive are members of the Supervisory Unit.

APPENDIX J (continued)

City of Duluth Retirees:

- Plan 1 EP408-E0*: 52 Single contracts; 0 Family contracts
- Plan 1 EP408-50*: 294 Single contracts; 0 Family contracts
- Plan 1A EP408-F0*: 88 Single contracts; 14 Family contracts
- Plan 1A EP408-60*: 266 Single contracts; 28 Family contracts
- Plan 2 EP408-H0: 50 Single contracts; 47 Family contracts
- Plan 2 EP408-80: 14 Single contracts; 25 Family contracts
- Plan 2B EP408-I2: 19 Single contracts; 9 Family contracts
- Plan 2B EP408-92: 0 Single contracts; 1 Family contract
- Plan 3 EP408-J0: 15 Single contracts; 29 Family contracts
- Plan 3 EP408-R0: 1 Single contract; 1 Family contract
- Plan 4 EP408-P0: 37 Single contracts; 97 Family contracts
- Plan 4 EP408-D0: 7 Single contracts; 24 Family contracts

* A number of former employees may have met sick leave criteria to qualify them for a waiver of the retiree Plan 1 deductible (EP408-E0 and EP408-50). Therefore, if subscribers under EP408-E0 or EP408-50 have eligible dependents they wish to cover under the retiree health plan, the dependents will be separately assigned to EP408-F0 or EP408-60.

Additionally, if a retiree is enrolled in family health coverage, and the retiree or spouse subsequently becomes Medicare eligible, it may create two (2) separate policies for a retiree: a Single or Family Health plan contract for the non-Medicare eligible member(s) and a Single policy for the Medicare eligible member.

Airport Active Employees

- Plan 3 EP408-W6: 12 Single contracts; 8 Family contracts

Airport Retirees

- Plan 1 EP408-E6: 1 Single contract; 0 Family contracts
- Plan 1 EP408-56: 1 Single contract; 0 Family contracts
- Plan 1A EP408-F6: 2 Single contracts; 0 Family contracts
- Plan 1A EP408-66: 7 Single contracts; 3 Family contracts
- Plan 3 EP408-J6: 2 Single contracts; 0 Family contracts
- Plan 3 EP408-R6: 0 Single contracts; 0 Family contracts

DECC Active Employees

- EP408-W7: 17 Single contracts; 12 Family contracts

APPENDIX J (continued)

DECC Retirees

- Plan 1 EP408-E7: 0 Single contracts; 0 Family contracts
- Plan 1 EP408-57: 1 Single contract; 0 Family contracts
- Plan 1A EP408-F7: 0 Single contracts; 1 Family contract
- Plan 1A EP408-67: 6 Single contracts; 5 Family contracts
- Plan 3 EP408-J7: 1 Single contract; 0 Family contracts
- Plan 3 EP408-R7: 0 Single contracts; 0 Family contracts

HRA Active Employees

- Plan 3 EP408-W8: 34 Single contracts; 28 Family contracts

APPENDIX J (continued)

HRA Retirees

- Plan 1 EP408-E8: 0 Single contracts; 0 Family contracts
- Plan 1 EP408-58: 1 Single contract; 0 Family contracts
- Plan 1A EP408-F8: 0 Single contracts; 1 Family contract
- Plan 1A EP408-68: 3 Single contracts; 2 Family contracts
- Plan 3 EP408-J8: 0 Single contracts; 0 Family contracts
- Plan 3 EP408-R8: 0 Single contracts; 0 Family contracts

Total Members: 3,372

APPENDIX K – DULUTH AIRPORT AUTHORITY (AIRPORT)

The Airport has an agreement with the City of Duluth to participate in the following benefit programs:

- Medical Plan
 - Rx Plan
 - Dental Plan
 - Flexible Spending Plan
 - EAP Program
 - MN Life Insurance Plan
 - Deferred Compensation Plans
-
- Total Number of active employees you employ (including temps, etc.): 21
 - Total Number of active employees that are benefit eligible: 20
 - Total Number of active employees with health care benefits - by Single and by Family: 10 employees have Single, Plan 3 health care coverage and 8 employees have Family, Plan 3 health care coverage
 - Total Number of active employees eligible for retiree health care: 20

APPENDIX L – DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY (DECC)

The DECC has an agreement with the City of Duluth to participate in the following benefit programs:

- Medical Plan
 - Rx Plan
 - Dental Plan
-
- Total Number of active employees you employ (including temps, etc.): 506 (only 9 FT employees are covered by a bargaining agreement)
 - Total Number of active employees that are benefit eligible: 31
 - Total Number of active employees with health care benefits - by Single and by Family: 17 employees have Single, Plan 3 health care coverage and 12 employees have Family, Plan 3 health care coverage
 - Total Number of active employees eligible for retiree health care: 11

APPENDIX M – HOUSING REDEVELOPMENT AUTHORITY (HRA)

The DECC has an agreement with the City of Duluth to participate in the following benefit programs:

- Medical Plan
 - Rx Plan
 - Dental Plan
-
- Total Number of active employees you employ (including temps, etc.): 62
 - Total Number of active employees that are benefit eligible: 62
 - Total Number of active employees with health care benefits - by Single and by Family: 34 employees have Single, Plan 3 health care coverage and 28 employees have Family, Plan 3 health care coverage
 - Total Number of active employees eligible for retiree health care: 21