

Memo

To: City Commission
From: Toby Dougherty, City Manager
Date: 10-22-15
Re: November 5, 2015 Work Session

Please find the attached agenda and supporting documentation for the November 5, 2015 Work Session.

Item 2 – 2016 Pay Plan and Job Classification

This item is self-explanatory. Please refer to the attached memorandum from Erin Giebler, Human Resources Director.

Item 3 – City of Hays Employee Health Insurance for 2016

Please refer to the attached memorandum from Erin Giebler regarding the 2016 health insurance program. City staff solicited proposals for the 2016 health insurance program earlier in the year and has been negotiating with the various health care providers to get the cost for the program as low as possible. The cost to provide employee health insurance for 2016 is in excess of the \$9,500 per employee aggregate cap put in place by the Commission. Therefore, the employees will be asked to contribute monetarily in order to take advantage of the premium offering. If the employee wishes to accept a little more risk, the City will be providing a free offering that comes with a higher deductible and out-of-pocket max. Erin will have more information on the program at the work session.

Item 4 – Vacate of a Portion of a Drainage Dedication in the Golden Belt Estates 3rd Addition

Please refer to the attached memorandum from Jesse Rohr, Planning, Inspection and Enforcement Superintendent, regarding the request to vacate a portion of a drainage dedication in Golden Belt Estates 3rd Addition. When reviewing the plat for the Golden Belt Estates 3rd Addition, City staff overlooked a couple of small areas in the drainage dedication that created “no man’s land” parcels. What resulted was small parcels of property that were dedicated as drainage but abutted lots that were to be developed. The requirement to maintain the parcel fell upon the City of Hays Parks Department. Needless to say, the Parks Department is not going to maintain the parcel as a homeowner would maintain his/her yard. City staff was approached by Kelly Koenke

who has property adjoining one of these parcels. He inquired about vacating the portion of the drainage dedication so he could incorporate it into his yard and assume maintenance on the property. City staff sees no issue with this and recommends approval of the vacate. Jesse Rohr and Greg Sund, Director of Public Works, will be in attendance at the work session and will have much more information on the subject.

Item 5 – 2016 Street Maintenance Program

Please refer to the attached memorandum from John Braun, Assistant Director of Public Works, regarding the 2016 Street Maintenance Program. In addition to a multitude of street maintenance projects, City staff is recommending a few high-profile maintenance projects. This includes the mill and overlay of Hall Street from 27th Street to 41st Street, 27th Street from Englewood to Hall Street, and 27th Street from Sherman to Canterbury. These are very heavily traveled areas where normal maintenance applications will not bring these streets up to standard. Therefore, staff is recommending a mill and overlay. City staff is also recommending a substantial brick repair project for a two-block section of Ash Street between 17th Street and 19th Street.

Item 6 – Auditing Services Request for Proposals

Please refer to the attached memorandum from Kim Rupp, Director of Finance. As part of the City's Comprehensive Financial Management Policy, it is required that we go out for proposals for auditing services every five years. City staff requested proposals with only one firm, Adams, Brown, Beran and Ball, submitting a proposal. City staff thinks the proposal is fair and recommends approval.

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**CITY OF HAYS
CITY COMMISSION WORK SESSION
THURSDAY, NOVEMBER 5, 2015 – 6:30 P.M.
AGENDA**

1. **ITEM FOR REVIEW: [October 15, 2015 Work Session Notes \(PAGE 1\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
2. **ITEM FOR REVIEW: [2016 Pay Plan and Job Classification \(PAGE 7\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Erin Giebler, Human Resources Director
3. **ITEM FOR REVIEW: [City of Hays Employee Health Insurance for 2016 \(PAGE 15\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Erin Giebler, Director of Human Resources
4. **ITEM FOR REVIEW: [Vacate of a Portion of a Drainage Dedication in the Golden Belt Estates 3rd Addition \(PAGE 55\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Greg Sund, Director of Public Works
5. **ITEM FOR REVIEW: [2016 Street Maintenance Program \(PAGE 67\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Greg Sund, Director of Public Works
6. **ITEM FOR REVIEW: [Auditing Services Request for Proposals \(PAGE 73\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
7. **OTHER ITEMS FOR DISCUSSION**
8. **EXECUTIVE SESSION (IF REQUIRED)**
9. **ADJOURNMENT**

ANY PERSON WITH A DISABILITY NEEDING SPECIAL ACCOMMODATIONS TO ATTEND THIS MEETING SHOULD CONTACT THE CITY MANAGER'S OFFICE 48 HOURS PRIOR TO THE SCHEDULED MEETING TIME. EVERY ATTEMPT WILL BE MADE TO ACCOMMODATE ANY REQUESTS FOR ASSISTANCE.

City of Hays
City Commission
Work Session Notes
Thursday, October 15, 2015 – 6:30 p.m.

Present: Eber Phelps, Shaun Musil, James Meier, Henry Schwaller IV, Lance Jones, Todd Powell, Toby Dougherty and Brenda Kitchen

October 1, 2015 Work Session Notes

There were no corrections or additions to the minutes of the work session held on October 1, 2015; the minutes stand approved as presented.

Kiwanis Park Play Unit

The existing play equipment at Kiwanis Park at 17th and Harvest Road was purchased and installed in 1991 by the Hays Kiwanis Club and City staff. Play equipment generally lasts 15-20 years. The main play unit is in need of replacement at this time.

The Hays Kiwanis Club donated \$40,000 and the City budgeted \$40,000 in matching funds in the 2015 Special Parks Budget to update Kiwanis Park with a new play unit and restroom. Members of the Hays Kiwanis Club reviewed the play unit proposals and requested approval to purchase the unit from ABCreative in De Soto, Kansas for an amount of \$30,420 which includes labor for an install supervisor from their firm.

Commissioners will be asked to approve the purchase of the play unit from ABCreative for an amount of \$30,420 from the Park Improvement Fund at the October 22, 2015 Commission meeting.

Kiwanis Park Restroom

Kiwanis Park does not currently have a restroom facility available for park visitors. Restrooms are one of the most important amenities to have in a park setting and are typically one of the first items installed when building a park.

Jeff Boyle, Parks Director, stated City staff looked at various ways to purchase restroom facilities in an effort to find the most cost effective way to provide adequate and long lasting restrooms for park areas. Previous restroom facilities constructed in area parks were costing approximately \$70,000 to construct. City staff determined that pre-cast concrete restrooms were less expensive to purchase and install yet still looked nice and fulfilled the basic needs for city park users. The State of Kansas purchases these same types of restrooms for the Kansas Department of Wildlife and Parks and Tourism and has already gone through the bidding processes for purchasing such and has a current contract in place with CXT, Inc. The contract includes a provision that allows political subdivisions of the State of Kansas to purchase the restrooms off of the contract. The Cortez precast flush restroom offered by CXT, Inc. has separate men's and women's restrooms and meets all ADA requirements. The contract price for the restroom including delivery is \$40,100. City staff will prepare the base and will hire a local contractor to install the piping to the facility.

At the October 22, 2015 Commission meeting, Commissioners will be asked to approve the purchase of the CXT, Inc. Cortez precast flush restroom, via the State of Kansas Bid Procurement Contract, for an amount of \$40,100.

7th Street Angle Parking

In July and again in August 2015, the City Commission discussed converting 6th and 7th Streets from one-way to two-way traffic. At the August 20th Work Session, the majority of the City Commissioners were not in favor of converting the streets to two-way traffic, but did consider a request from a local business to convert some of the parallel parking to angle parking. City staff was directed to research the addition of angled parking along the north side of 7th Street from Fort Hays State University (FHSU) towards downtown.

City staff has investigated the possibilities and solicited input from adjacent property owners. Letters were sent to 56 property owners adjacent to 7th Street from the FHSU campus to Main Street and eight responses were

received. Generally responses were mixed with half of the respondents opposed to making a change, and the other half supported the change to angle parking.

Due to potential traffic safety issues and fire fighting response concerns, staff does not recommend adding angle parking along the north side of 7th Street.

Tony Taylor, owner of On the Rocks, located above Chucks Bar on West 7th Street commented that he is concerned with a bottleneck situation. If we convert to one lane and the police or Emergency Medical Services would be called, there would be no way to get them in and out.

It was the consensus of the Commission to not make any changes to the parking along 7th Street.

Replat of Lots 1 & 2 and Arnhold Drive in Arnhold's Industrial Addition

The subject property, known as Arnhold's Industrial Addition, is under consideration for approval of a replat of Lots 1 and 2 as well as the portion of right of way currently platted as Arnhold Drive. This is undeveloped and unimproved property outside the City limits located west of Canterbury and north of East 8th Street. There is a proposed plan from Midwest Energy to develop an electrical substation on the property. Approval of the plat as submitted would act to combine two lots, 1 and 2, and vacate the right of way platted as Arnhold Drive. On September 21, 2015 the final plat was reviewed and approved by a vote of 8-0 by the Hays Area Planning Commission. Staff, as well as the Planning Commission, recommends approving this plat as submitted.

At the October 22, 2015 Commission meeting, Commissioners will be asked to approve a resolution accepting the Replat of Lots 1 and 2 and Arnhold Drive, Arnhold's Industrial Addition.

Rezoning of Lots 15 and 17, Block 6, HP Wilson Addition (C-O to C-2) – 117 East 7th Street

The owner of 117 East 7th Street, Lots 15 and 17, Block 6, HP Wilson Addition, has submitted a request to rezone the property from C-O (Office and Institution District) to C-2 (General Commercial and Service District). The

property is located at the northwest corner of the intersection of 7th Street and Oak Street. A public hearing was conducted on September 15, 2015 at the regular meeting of the Planning Commission and it was recommended by a vote of 8-0 that the rezoning be approved. The zoning change from C-O to C-2 would allow the owners to use the property for other commercial ventures that are not currently allowed in the C-O district, which would hopefully allow for increased profit from the property.

At the October 22, 2015 Commission meeting, Commissioners will be asked to approve an ordinance rezoning the property at 117 East 7th Street from C-O to C-2.

Transitioning to November Elections

For one hundred and fifty four years, spring elections have been conducted for officials of cities and municipalities in Kansas.

During the legislative session of 2015, the Kansas Legislature passed House Bill 2014, the Act, which moved City elections from April of odd years to November of odd years. The Act also contains many provisions relating to elections of City officials including those relating to the election date, the beginning of the term of office for newly elected Commissioners, filing deadlines, and primaries.

Todd Powell, Assistant City Attorney, presented several recommendations to the Commissioners in order for the City to comply with provisions of the Act. Newly elected Commissioners will take their seats the second Monday in January rather than in April. Commissioner's terms that would have expired in 2017 will expire in January 2018 and terms that would have expired in April 2019 will expire in January 2020. These changes would have the most impact and will require changes to the existing ordinances.

If a Commissioner resigns, a special election could take place or the Commission could vote to fill the vacancy. By consensus, Commissioners were in favor of having the governing body fill the vacancy because of the cost of special elections and low turnout.

The City Manager Plan Act, which establishes how cities operate in the commission-manager form of government, was repealed by the Kansas Legislature. A proposed ordinance would reaffirm the commission-manager form of government.

At the October 22, 2015 Commission meeting, Commissioners will be asked to approve the proposed ordinances to comply with the provisions of House Bill 2014, the Act.

Fact Finding Report/SEIU Contract 2016-2018

City staff and SEIU have met and conferred various times throughout the year to discuss the 2016 to 2018 contract. On June 3, 2015 impasse was declared, and in July, an unsuccessful mediation took place. A fact finding was conducted September 17, 2015. According to state statute the City Commission must hold a hearing and make public the findings of fact and recommendation as well as taking such action as it deems to be in the public interest, including the interest of the public employees involved.

At the October 22, 2015 Commission meeting, the Commissioners will hold a hearing as required by state statute for recommendations and input from City staff and SEIU representatives. Once closed, the City Commission may take necessary action as it deems to be in the public interest.

Other Items for Discussion

Commissioner Meier commented that Hays Medical Center Foundation is providing free flu shots at Hays Medical Center October 25, 2015 from 9:00 a.m. to 2:00 p.m.

Commissioner Musil stated that he will be leaving the Downtown Hays Development Corporation Board at the end of the year and he feels that it is important to have a representative from the City of Hays on that board. He stated that he has enjoyed serving on the board, but does not have the time to commit to it at this time.

Sandy Jacobs, President of the Downtown Hays Development Corporation, stated they would welcome any Commissioners, but another option would be to become an ex-officio member to offer input and keep the City involved at all times.

The work session was adjourned at 7:29 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk

Commission Work Session Agenda

Memo

From: Erin Giebler, Director of Human Resources

Work Session: November 5, 2015

Subject: 2016 Pay Plan and Job Classification

Person(s) Responsible: Erin Giebler, Director of Human Resources

Summary

Each year city ordinance requires the adoption of a pay plan and job classification by resolution. The 2016 budget contains these proposed salary changes.

City staff recommends adoption of the 2016 pay plan and job classification which includes a \$2,050 annual pay increase while increasing the minimum of the pay grade by \$1,500 annually and keeping the maximum of the pay grade the same.

Background

City Code Section 47-4 necessitates the adoption of a pay plan and job classification for city employees. In 2015 employees received a 2% bonus. This bonus will sunset at the end of the 2015 payroll year. The 2016 budget contains the City's recommendation of a \$2,050 annual pay increase.

Discussion

City staff recommends a \$2,050 pay increase for all employees with an increase of \$1,500 for the minimum of the pay ranges. Staff recommends the maximum of the pay ranges remain the same. A dollar amount increase is being recommended in place of the typical percentage in order to provide a higher percent increase to the City's frontline employees. This recommendation is based on comparability and affordability.

Legal Consideration

There are no known legal obstacles to proceeding as recommended by City Staff.

Financial Consideration

The impact of staff's recommendation on the 2016 budget is approximately \$280,675 when compared to 2015 or a 3% increase. This amount includes the General Fund portion of \$171,637, with \$52,590 attributed to the Enterprise and Miscellaneous Funds, as well as Benefits at \$56,448.

Options

The City Commission has the following options:

1. The City Commission may approve the resolution adopting the pay plan and job classification plan for 2016.
2. The City Commission may choose not to approve the resolution.
3. The City Commission can provide staff with further guidance.

Recommendation

Staff recommends adoption of the 2016 pay plan and job classification which includes a \$2,050 annual pay increase while increasing the minimum of the pay grade by \$1,500 annually and keeping the maximum of the pay grade the same.

Action Requested

Adopt the 2016 pay plan and job classification resolution that includes a \$2,050 annual pay increase while increasing the minimum of the pay grade by \$1,500 annually and keeping the maximum of the pay grade the same.

Supporting Documentation

Resolution Amending Pay Plan

2016 Pay Ranges

2016 Job Classification

A RESOLUTION AMENDING THE PAY PLAN AND JOB CLASSIFICATION SCHEDULE FOR CITY EMPLOYEES, CREATED PURSUANT TO SECTION 2.52.040 OF THE HAYS CODE AND REPEALING ALL PREVIOUS RESOLUTIONS, MOTIONS OR ACTIONS IN CONFLICT THEREWITH.

WHEREAS, The City Manager has submitted to the Governing Body the amended Pay Plan and Job Classification Schedule for payroll year 2016; and

WHEREAS, The Governing Body of the City of Hays is desirous of adopting the Pay Plan and Job Classification Schedule as submitted by the City Manager.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS:

SECTION 1. The Job Classification Schedule and Pay Plan, as provided for by Section 2.52.040 of the Hays Code, and as set out and referred to as the 2016 Job Classification Schedule and Pay Plan, is hereby adopted by reference as the official Pay Plan and Job Classification Schedule for the various classifications attached hereto and made a part of this Resolution.

SECTION 2. That the effective date of the Job Classification Schedule and Pay Plan for the covered employees of the City of Hays, Kansas, shall be December 20, 2015.

SECTION 3. That a copy of said Job Classification and Pay Plan for City employees shall be on file in the office of the City Manager, and the City Manager is authorized to administer and put into effect said Job Classification Schedule and Pay Plan.

SECTION 4. That all previous motions, resolutions, or actions in conflict with the referenced Job Classification Schedule and Pay Plan are hereby repealed.

PASSED BY THE CITY COMMISSION ON NOVEMBER 12, 2015.

EBER PHELPS
Mayor

ATTEST:

BRENDA KITCHEN
City Clerk

2016 Pay Ranges

	Min.	Max.
A	1827	2775
B	1914	2915
C	2004	3060
D	2099	3216
E	2195	3373
F	2301	3546
G	2409	3722
H	2525	3912
I	2643	4106
J	2771	4314
K	2906	4531
L	3043	4754
M	3187	4990
N	3341	5243
O	3501	5503
P	3670	5779
AA	3850	6069
BB	4034	6372
CC	4229	6690
DD	4435	7025
EE	4650	7376
FF	4875	7745
GG	5114	8133
HH	5364	8538

2016 JOB CLASSIFICATIONS -- PAY PLAN POSITION RANGES

DEPARTMENT

PAY RANGE

CITY MANAGERS OFFICE

City Manager	
Assistant City Manager	HH
Executive Assistant	K
PT Receptionist	C

CITY CLERK/FINANCE DEPARTMENT

Director of Finance	GG
City Clerk	CC
Accounting Specialist	J
Deputy City Clerk	F
Account Clerk II	F
Account Clerk I	E
Part-time Account Clerk	E

COMMUNICATIONS CENTER

Director of Communication Center	EE
Communications Lead	I
Communications Officer	H

CONVENTION & VISITORS BUREAU

Director of the Convention & Visitors Bureau	EE
Convention Sales Manager	K
Destination Marketing Manager	K
Administrative Assistant	G
Part -Time Receptionist	C
Welcome Center PT Receptionist	
Bus Driver (part-time)	

FIRE DEPARTMENT

Fire Chief	GG
Deputy Fire Chief	DD
Fire Captain	AA
Fire Lieutenant	L
Firefighter	K
Administrative Assistant	G
Volunteer Firefighter	

HUMAN RESOURCES DEPARTMENT

Director of Human Resources	EE
Administrative Assistant	G

INFORMATIN TECHNOLOGY DEPARTMENT

Director of Information Technology	EE
GIS Specialist	AA
GIS Technician	L
Information Technology Technician	L

PARKS DEPARTMENT

Director of Parks	GG
Parks Superintendent	CC
Parks Supervisor	AA
Athletic Facilities Foreman	K
Parks Technician	H
Cemetery Caretaker	F
Horticulturist	E
Maintenance Worker II	E
Maintenance Worker I	D
Administrative Assistant	G
Seasonal Maintenance Worker	

Golf Division

Golf Course Superintendent	CC
Golf Course Foreman	K
Golf Course Maintenance Worker II	E
Golf Course Maintenance Worker	D
Seasonal Maintenance Worker	

Sports Complex Division

Sports Complex Maintenance Worker II	E
Sports Complex Maintenance Worker	D
Seasonal Maintenance Worker	

POLICE DEPARTMENT

Chief of Police	GG
Assistant Chief of Police	DD
Police Lieutenant	CC
Police Detective	O
Police Investigator	M
Police Sergeant	O
School Resource Officer	M
Police Corporal	M

Police Officer	L
Animal Control Officer	H
Administrative Assistant	G
Part Time Police Officer	E

Municipal Court

Office Manager	K
Records Clerk	E

PUBLIC WORKS DEPARTMENT

Director of Public Works	GG
Assistant Director of Public Works	DD
Administrative Assistant	G
Part Time Receptionist	C

Airport

Airport Superintendent	CC
Airport Maintenance Operator	H
Seasonal Maintenance Worker	

Planning, Inspection, Enforcement (P.I.E.) Division

Inspection & Enforcement

PIE Superintendent	CC
Inspector II	M
Inspector	L
Administrative Assistant	G
PT Code Enforcement Officer	C

Planning

Planner	EE
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Service Division

Service Division Supervisor	AA
Service Division Foreman	K
Shop Foreman	K
Mechanic	H
Equipment Operator	H
Maintenance Worker II	E
Maintenance Worker I	D

Solid Waste Division

Solid Waste Superintendent	CC
Solid Waste Foreman	K
Refuse Equipment Driver	G

Recycling Collector	D
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Stormwater Division

Stormwater Specialist	AA
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UTILITIES DEPARTMENT

Director of Utilities	GG
Assistant Director of Utilities	DD
Utilities Superintendent	CC
Utilities Supervisor	AA
Equipment Operator	H
Plant Operator II	H
Plant Operator I	E
Maintenance Worker II	E
Maintenance Worker I	D
Administrative Assistant	G
Part Time Truck Driver	
Part Time Utilities Worker	

Water Conservation Division

Water Conservation Specialist	AA
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Positions Not Covered Under The Pay Plan

City Manager and select part-time, seasonal, and volunteer personnel

Commission Work Session Agenda

Memo

From: Erin Giebler, Director of Human Resources

Work Session: November 5, 2015

Subject: 2016 Health Insurance

Person(s) Responsible: Erin Giebler, Director of Human Resources

Summary

City staff requested bids for employee health insurance for FY 2016. After twenty-four (24) plan designs were reviewed, City staff, with the approval of the Wage and Benefit Committee, recommends providing employees with a dual option plan through Aetna. The Base Plan will be provided to our employees and their families at no cost. Employees enrolling in the Premium Plan would pay 8.31% of the total premium. This recommendation stays within the budget cap set by the City Commission.

Background

In 2010, City Commission set a \$9,500 average per employee cap on health insurance. Since then, the Wage and Benefit Committee has been tasked with finding the best insurance within the provided budget. The City has been able to provide a no-cost family health insurance option through FY 2015.

During discussions for 2015's health insurance, commission allowed the City to use savings from 2014 to help cover the health insurance premiums above the budgeted number. The City Commission directed City Staff to keep 2016's health insurance recommendation within the \$1,719,500 budget. That resulted in the Wage and Benefit Committee looking for an option that would incorporate 2016's increase as well as part of 2015's increase.

Discussion

Health insurance premiums have been increasing primarily due to high utilization as well as market factors. The renewal rate given by Aetna for the City's current plan shows a 3.85% increase or \$1,862,920.08. To ensure City employees are getting the best health insurance option, bids were sought with other companies. Twenty-four (24) plan designs and three (3) companies were reviewed in this process, with the next closest renewal rate being a 9.55% increase. The bids received comparable to the City's current plan were:

	BCBS (Self-Funded) <i>*Does not include ACA Fees</i>	BCBS (Fully-Funded)
Deductible (Single/Family)	\$1,500/\$3,000	\$1,000/\$2,000
Co-Insurance	50%	50%
Co-Insurance Out of Pocket	\$1,000/\$2,000	\$2,500/\$3,000
Office Visit (Primary Care/Specialist)	\$25/\$50	\$35
Max Out of Pocket (Single/Family)	\$6,350/\$12,700	\$6,350/\$12,700
Annual Premiums	\$2,143,074.36	\$1,965,140.28
Premium Change from 2015	19.47%	9.55%

	United Health	State Plan <i>*Includes Employer Required HSA & Dental Contributions</i>
Deductible (Single/Family)	\$1,500/\$3,000	\$2,750/\$5,500
Co-Insurance	50%	-
Co-Insurance Out of Pocket	\$1,000/\$2,000	\$2,750/\$5,500
Office Visit (Primary Care/Specialist)	\$25/\$50	-
Max Out of Pocket (Single/Family)	\$2,500/\$5,000	\$2,750/\$5,500
Annual Premiums	\$2,164,088.04	\$2,045,636.64
Premium Change from 2015	20.64%	14.04%

	Aetna
Deductible (Single/Family)	\$1,500/\$3,000
Co-Insurance	50%
Co-Insurance Out of Pocket	\$1,000/\$2,000
Office Visit (Primary Care/Specialist)	\$25/\$50
Max Out of Pocket (Single/Family)	\$2,500/\$5,000
Annual Premiums	\$1,862,920.08
Premium Change from 2015	3.85%

Management and the Wage & Benefit Committee thoroughly researched the information submitted by all providers. They unanimously recommended to the City Manager to offer a dual option plan provided by Aetna with one plan a no-cost option for employees and their families. Aetna's premiums are increased when dual options are provided due to the additional administrative costs. Committee members felt like this increase was worth the additional cost to provide employees with a no-cost option. The two plans recommended are as follows:

	Base Plan	Premium Plan
Deductible (Single/Family)	\$2,500/\$5,000	\$1,500/\$3,000
Co-Insurance	50%	50%
Co-Insurance Out of Pocket	\$3,850/\$7,700	\$1,000/\$2,000
Office Visit (Primary Care/Specialist)	\$30/\$60	\$25/\$50
Max Out of Pocket (Single/Family)	\$6,350/\$12,700	\$2,500/\$5,000
Annual Premiums	\$1,669,971.84	\$1,875,178.56

The Base Plan would be provided as the no-cost option for employees and their families. The Premium Plan would cost employees 8.31% of the total premium. The bi-weekly cost for the Premium Plan would be:

Employee Only	\$17.30
Employee/Spouse	\$37.20
Employee/Dependents	\$34.61
Family	\$54.51

The City of Hays did an in-house survey of other governmental agencies and local businesses in Northwest Kansas earlier this year. This survey, displayed below, shows the employee cost for the Premium Plan is lower than the average.

Governmental Agencies

	2015 Health Insurance Survey Average	2016 Hays Base Plan	2016 Hays Premium Plan
Single Deductible plus Co-Insurance	\$2,742	\$6,350	\$2,500
Family Deductible plus Co-Insurance	\$5,596	\$12,700	\$5,000
Employee Cost - Single Plan	\$25.85/Bi-Weekly	\$0/Bi-Weekly	\$17.28/Bi-Weekly
Employee Cost - Employee/Spouse Plan	\$98.31/ Bi-Weekly	\$0/Bi-Weekly	\$37.16/Bi-Weekly
Employee Cost - Employee/Child(ren) Plan	\$93.69/ Bi-Weekly	\$0/Bi-Weekly	\$34.57/Bi-Weekly
Employee Cost - Family Plan	\$131.54/ Bi-Weekly	\$0/Bi-Weekly	\$54.44/Bi-Weekly
Annual Max Out of Pocket for Family (Including Premiums)	\$9,016	\$12,700	\$6,417

Local Businesses (NW Kansas)

	2015 Health Insurance Survey Average	2016 Hays Base Plan	2016 Hays Premium Plan
Single Deductible plus Co-Insurance	\$3,042	\$6,350	\$2,500
Family Deductible plus Co-Insurance	\$6,269	\$12,700	\$5,000
Employee Cost - Single Plan	\$32.31/Bi-Weekly	\$0/Bi-Weekly	\$17.28/Bi-Weekly
Employee Cost - Employee/Spouse Plan	\$161.08/Bi-Weekly	\$0/Bi-Weekly	\$37.16/Bi-Weekly
Employee Cost - Employee/Child(ren) Plan	\$156.46/Bi-Weekly	\$0/Bi-Weekly	\$34.57/Bi-Weekly

Employee Cost - Family Plan	\$238.62/Bi-Weekly	\$0/Bi-Weekly	\$54.44/Bi-Weekly
Annual Max Out of Pocket - Family Plan (Including Premiums)	\$12,473	\$12,700	\$6,417

The numbers provided are based on the average employee enrollment in health insurance for 2015. As in previous years, the final cost of health insurance over the 12 month contract is based on the election of employee’s coverage and changes throughout the year due to turnover, waiting periods, family status changes, and other qualified changes in status.

Legal Consideration

There are no known legal obstacles to proceeding as recommended by City Staff.

Financial Consideration

The 2016 budget contains the Commission directive \$9,500 per average employee or \$1,719,500, for health insurance. With the employees picking up a portion of the premiums, the estimated cost of providing health insurance to the City’s employees in 2016 with Aetna is \$1,719,500.

Options

This issue is presented to the City Commission with the following options:

1. Approve the 2016 Health Insurance Aetna proposal.
2. Do nothing.
3. Deny the request.

Recommendation

City staff recommends approval the 2016 health insurance contract with Aetna.

Action Requested

Authorize the City Manager to sign an agreement with Aetna to provide employees with a dual option health insurance plan provided by Aetna with the City paying \$1,719,500 out of the Employee Benefit Levy Fund.

Supporting Documentation

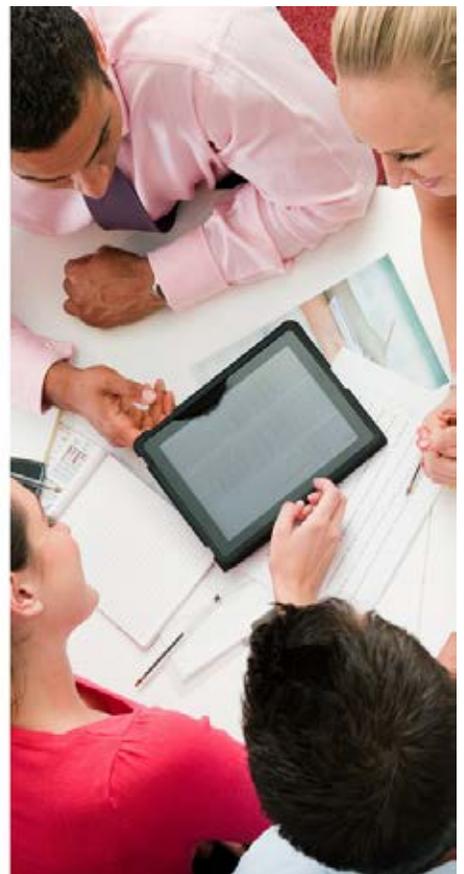
- 2016 Aetna Proposal
- 2016 Aetna Plan Designs



**An Aetna Renewal
Presented to**

City of Hays

Financial Renewal Overview:
January 01, 2016 through December 31, 2016



Proposal Exhibit - Medical

CITY OF HAYS

County/Region: Western Kansas
 Zip Code: 67601
 SIC Code: 9111
 Case Status: UW Approved - Final
 Broker Pass-Through:

Agent: Yarmer, Julie
 Agency: Yarmer Insurance Agency
 Account Manager: Davison, Jeffrey
 Association: None
 Broker Pass-Through Fee: N/A

Quote ID: 250351
 Effective Date: 1/1/2016
 Next Ren. Date: 1/1/2017
 Eligible Employees: 223
 Covered Employees: 169

Option Summary	Option - 11	Option - 12
Segment	1	1
Package	J	J
Current Plan	False	False
Product	PPO	PPO
Medical Plan	KS OAMC 44 WS	KS OAMC 1500/2500 25 50% WS
Rx Plan	Select OAMC 3b/SW5c 12/40/65 Value Plus Formulary; 2.5x MOD	Select OAMC 3c/SW5b 12/40/65 Premier Formulary; 2.5x MOD
Domestic Partner	N/A	N/A

In-Network Benefit Summary		
Deductible	\$2,500 / \$5,000	\$1,500 / \$3,000
Coinsurance	50%	50%
OOP Max	\$6,350 / \$12,700	\$2,500 / \$5,000
PCP/SCP	\$30/\$60	\$25/\$50
HIP	Ded + 50%	Ded & 50%
HOP	Ded + coins	Ded + coins
ER/Urgent Care	\$200 + Ded + Coins / \$50	\$200 + Ded + Coins / \$50

Enrollment and Tier Ratios	Subscribers	Members	Tier Ratio	Subscribers	Members	Tier Ratio
EE Only	25	25	1.00	24	24	1.00
EE/SP	17	34	2.15	17	34	2.15
EE/Chr	14	35	2.00	13	32	2.00
Family	30	125	3.15	29	120	3.15
Total Est. Enrollment	86	218		83	211	

Rates + PPACA Fees	Tier Rate	PPACA Fee	Rate + Fee	Tier Rate	PPACA Fee	Rate + Fee
EE Only	\$386.89	\$14.91	\$401.80	\$434.78	\$16.39	\$451.17
EE/SP	\$831.83	\$32.05	\$863.88	\$934.80	\$35.23	\$970.03
EE/Chr	\$773.79	\$29.81	\$803.60	\$869.58	\$32.77	\$902.35
Family	\$1,218.73	\$46.95	\$1,265.68	\$1,369.59	\$51.62	\$1,421.21
Est. Total Monthly Premium	\$71,208.32			\$77,348.97		
Aggregate Change*	-4.9%			-4.9%		
Est. Monthly PPACA Fee	\$2,743.44			\$2,915.26		
Est. Total Monthly Charges	\$73,951.76			\$80,264.23		
Aggregate Change w/ PPACA*	-1.3%			-1.3%		



City of Hays

Alternate Plan Options

Contact Information

Account Executive: Jeff Davison Email: davisonj@aetna.com
 Telephone Number: 316-609-2452 Fax: 0

Assumptions

Contract State: KS Lives: 169 Pooling Level: \$125,000
 Participation: Min:75% Eligible EE, 50% Aetna Sic Code: 9111 Effective Date: 1/1/2016
 Contributions: Min:75% EE, 50% EE & DEP Mem/Sub Ratio: 2.54 End Date: 12/31/2016
 Large Claims: \$0 Commissions: 0.00%

Proposed Rates

Plan Options	Subscribers	Monthly Rate PEPM	Monthly Total Amount Due
\$2500 ded - Choice POS II			
EE	25	\$401.80	\$10,045
EE + Sp	17	\$863.88	\$14,686
EE + Ch(ren)	14	\$803.60	\$11,250
Family	30	\$1,265.68	\$37,970
Total \$2500 ded - Choice POS II	86	\$859.90	\$73,952
\$1500 ded - Choice POS II			
EE	24	\$451.17	\$10,828
EE + Sp	17	\$970.03	\$16,491
EE + Ch(ren)	13	\$902.35	\$11,731
Family	29	\$1,421.21	\$41,215
Total \$1500 ded - Choice POS II	83	\$967.04	\$80,264
Total Group	169	\$912.52	\$154,216
Total Annual Amount Due			\$1,850,592

*The proposed rates includes Premium and Producer Service Fee as requested. Producer Service Fee will be removed from Total Amount Due if Policyholder and/or Producer do not elect us to serve as billing and collection agent. Total Amount Due will reflect executed Billing & Collection Agreement.



City of Hays

IMPORTANT RENEWAL INFORMATION – PHARMACY BENEFITS

Effective Date: January 01, 2016

For your plan renewal you have been quoted the Aetna Value Plus Formulary*.

Our Aetna Value Plus Formulary delivers great performance, flexibility and savings. You can expect a well-managed drug list with the highest level of cost controls, member choice in preferred generic drugs, some preferred brands and specialty drugs, and utilization management tools* such as step therapy and precertification. You can view a full list of covered drugs at aetna.com/formulary.

Your members will notice changes in coverage upon renewal.

- More injectable drugs are now covered by the pharmacy benefit. Some examples include low molecular weight heparins and injectable hormones like testosterone, estrogen and progesterone.
- Members will need to get their specialty drugs and refills from Aetna Specialty Pharmacy or an in-network specialty pharmacy for the drugs to be covered.*

We want to provide an easy transition for your members

- During the first 90 days after your plan renewal, your members can get a one-time fill of medicines that would normally require prior authorization or step therapy.
- Members newly diagnosed with asthma or diabetes therapy also get 1 to 2 fills of non-preferred drugs typically requiring prior authorization.
- Members who get these fills will receive a letter listing the preferred alternatives and the next steps that they need to take with their prescribing physician.

*The Value Plus Formulary applies to the following products:

OAMC

*Where allowed by state.

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies, including Aetna Life Insurance Company and its affiliates (Aetna).

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City of Hays

IMPORTANT RENEWAL INFORMATION – PHARMACY BENEFITS

Effective Date: January 01, 2016

For your plan renewal you have been quoted the Aetna Premier Formulary*.

Our Aetna Premier Formulary delivers great performance, flexibility and savings. You can expect a comprehensive managed drug list, with preferred drug choices, specialty drugs, and utilization management requirements* such as step therapy and precertification. You can view a full list of covered drugs at aetna.com/formulary.

Your members will notice changes in coverage upon renewal.

- More injectable drugs are now covered by the pharmacy benefit. Some examples include low molecular weight heparins and injectable hormones like testosterone, estrogen and progesterone.
- Members will need to get their specialty drugs and refills from Aetna Specialty Pharmacy or an in-network specialty pharmacy for the drugs to be covered.*

We want to provide an easy transition for your members

- During the first 90 days after your plan renewal, your members can get a one-time fill of medicines that would normally require prior authorization or step therapy.
- Members newly diagnosed with asthma or diabetes therapy also get 1 to 2 fills of non-preferred drugs typically requiring prior authorization.
- Members who get these fills will receive a letter listing the preferred alternatives and the next steps that they need to take with their prescribing physician.

*The Premier Formulary applies to the following products:
OAMC

*Where allowed by state.

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City of Hays

Programs and Services - Prospective Funding

Effective Date: January 01, 2016

Program Summary

Program/Service	OAMC
Aetna Health Connections - Disease Management SM	Yes
Disease Management SM	Yes
MedQuery [®] with Member Messaging	Yes
Aetna Navigator TM	Yes
Aetna's CareEngine-Powered PHR	Yes
Beginning Right SM Maternity Program	Yes
Health History Report	Yes
24/7 Nurse Line - Informed Health [®] Line	Yes
Enhanced Clinical Review	Yes
Simple Steps to a Healthier Life [®]	Yes
Teladoc [®]	Yes
Aetna Vision SM Discount Program	Yes

Program Description

Programs/Services	Description	Cost
Aetna Health Connections - Disease Management SM MedQuery [®] with Member Messaging	<p>Unique and powerful disease management program supporting more than 35 chronic conditions. Integrated and personalized patented technology allows Aetna to tailor each member's interactions based on health and disease states, benefit plan coverage and personal preferences. The Simple Steps online health assessment and Personal Health Record are also integrated with our disease management program.</p> <p>Our program also includes MedQuery[®] with Member Messaging. MedQuery[®] with Member Messaging is a program that uses medical claims, pharmacy claims and lab result values at a member level, compares that against complex algorithms developed from evidence-based standards of care to identify potential gaps in care called Care Considerations and provides the care considerations to physicians and members to help them improve their patients' care. Members receive Care Consideration via letter by using the address provided by the health plan (or employer self-insured health plan). The letter encourages the member to call his or her doctor to discuss the Care Consideration.</p>	Included
Aetna Navigator TM	In addition to our 24/7 telephonic customer service, Aetna NavigatorTM is a self-service website that provides members with a single source for online health and benefits information 24 hours a day, 7 days a week. Through Aetna Navigator TM , members can change their Primary Care Physician (PCP), replace an ID card, research Aetna's products and programs, contact Aetna directly, and access a vast amount of health and wellness information. Aetna Navigator TM also includes secure, personalized features for registered members including access to claims and benefits status.	Included
Personal Health Record	This online report combines detailed, claims-driven information gathered from across the health care spectrum - such as physician offices, labs, diagnostic treatment and pharmacies - with user-entered information such as family history or allergies. The result is a health profile that the member can access anytime online, and print to share with his or her doctor.	Included
Beginning Right SM Maternity Program	Provides services, information and resources to help improve pregnancy outcomes. Nurse outreach to physician for high risk members. Rewards for program completion are also available: Mayo Guide to Healthy Pregnancy sent with completion of the Pregnancy Risk Survey before the 16th week; baby blanket and growth chart sent when high risk outcome is complete.	Included
Health History Report	<p>The Health History Report provides a centralized summary of a member's health-related activity, such as doctor visits, tests, treatments, and prescriptions for medications.</p> <p>This information is preloaded and updates automatically based on claims data, without any effort by the member. It can then be organized according to health-related category, such as</p>	Included

	names of doctors, medical care, prescription drugs, dental care and health assessment. Aetna Navigator™ subscribers may also view Health History Reports of their dependents covered under their Aetna medical plan policy, subject to applicable state and federal privacy laws and regulations.	
24/7 Nurse Line - Informed Health® Line	24-hour nurse 1-800 support line - Members can call anytime and talk to a registered nurse for answers to health related questions. They can also listen to information from our audio health library on thousands of topics.	Included
Enhanced Clinical Review	Aetna's Enhanced Clinical Review Program can limit the financial impact of high cost radiology services, diagnostic cardiology, sleep management studies, and cardiac rhythm implant devices by coordinating information provided by the ordering doctor. The information is reviewed by board-certified specialists, specialized registered nurses, and physicians to maximize savings on these high cost services. Plan sponsors can expect to see an estimated savings of \$1.10 to \$1.40 PMPM savings with this program.	Included
Simple Steps to a Healthier Life®	A personalized online health and wellness program that begins with completing a health assessment. Upon completing the health assessment, the participant receives a Health Summary Report to keep and record their results over time, which can also be printed and shared with a health care provider. Based on information gathered in the health assessment, the participant receives a personalized HealthMap, containing online coaching program recommendations to help them achieve and maintain good health. The Health Assessment also is designed to assess participants' level of health risks, their readiness to change certain health behaviors and their impact of health on productivity. Plan Sponsors have access to aggregate results and can utilize information to design a wellness program and measure the success of the programs.	Included
Teladoc®	<p>Teladoc® is a national network of board-certified physicians who provide quality health care to members through the convenience of phone or online video consultations. Teladoc physicians can diagnose, treat and write prescriptions for routine medical conditions.</p> <p>Benefits of Teladoc® include:</p> <ul style="list-style-type: none"> • The convenience of 24/7 access online or by phone • Reduction in absenteeism and increased productivity • Less time spent away from work • Increased employee satisfaction • Lower claim costs <p>Our standard implementation allows Teladoc® to verify eligibility directly with our systems. Teladoc® will submit a claim charge for each consultation. The member's coinsurance or deductible will be applied when appropriate. Charges for consults will be submitted as any other medical claim and processed through the claims system. The member's cost share is the same as a physician office visit. In some cases, a custom member cost share can be implemented. In these custom cost share cases, updated eligibility files are provided to Teladoc® at least monthly. The Plan Sponsor will incur a one-time ½ day of programming charge to automate sending these updated eligibility files.</p> <p>Teladoc® operates subject to state regulations. Not available for HMO-based plans in California or New Jersey. Teladoc is not available in Missouri or to members with a plan sponsor situated in NJ.</p> <p><u>Teladoc® is temporarily suspended in Arkansas due to state regulatory considerations.</u></p>	Included
Aetna Vision™ Discount Program	The Aetna Vision™ Discount Program helps members save on many eye care services and products, including eye exams, LASIK surgery, eyeglasses, contact lenses, nonprescription sunglasses, contact lens solutions and other eye care accessories -- at no additional premium cost.	Included

NAP	Cost
<p>Aetna's National Advantage™ Program (NAP) includes three components – the base program, Facility Charge Review (FCR), and Itemized Bill Review (IBR). The base program offers access to contracted rates for medical claims that would otherwise be paid at billed charges. FCR provides reasonable charge allowance review for most inpatient and outpatient facility claims where a National Advantage™ Program contracted rate is not available. IBR reviews in-network facility charges which meet certain criteria and are not billed on a per diem basis often resulting in the elimination of certain types of charges prior to claim adjudication. These programs save money on eligible claims for your plan and for your employees/members (since co-insurance and deductibles are reduced). Your claim experience and rates are lower due to NAP savings.</p> <p>The claim experience shown below for your quoted products also includes NAP access fees (which are a percentage of NAP savings achieved).</p> <p>OAMC</p>	Included

24/7 Call Service	Cost
In addition to the robust suite of technology resources that we offer members, members can speak with a customer service representative for our middle market medical plans 24 hours per day, 7 days per week (24/7). Representatives are able to assist members at any time, day or night. The service is available every day except select holidays.	Included

Reporting

Standard reports are produced at the customer level based on underwriting's release policy for full-risk, experienced-rated customers On a bi-annual basis if 100-199 covered subscribers or quarterly if 200+ covered subscribers. Reports are available on an incurred basis, rolling 12 months with a 2-month claims lag. The reports offer a view of the current year's and the prior year's data illustrating utilization and financial trends in a concise, graphical format.

Report	Description	Cost
Level A	Level A includes pre-run, rolling 12-month incurred claim reports produced at the plan sponsor level by funding and product (medical, pharmacy, and dental). The package of reports identifies key cost, membership, and utilization trends. A "Summary by Product" package is also produced which includes all applicable products for a plan sponsor in one package.	Included
Level B	Level B allows users to access the same Level A standard report formats for medical, pharmacy, and dental in order to easily create their own reports on demand by selecting various time periods, account structure, product combinations, network service area and claim basis (incurred or processed).	Included
Ad Hoc	For customers with 100 or more subscribers, customized reports are also available upon request from Aetna Integrated Informatics®. A business consultant will be assigned to respond to tailored information and analytic needs. Charges and delivery dates for customized or ad hoc reports are quoted in advance. 100 - 2999 subs - 5 hours free	\$200 per hour

COBRA Services Description

Our rates exclude the following charges for COBRA Direct Billing. If this service is elected, these charges will be billed as incurred. For 2016, these are the individual billing services we offer for COBRA and the associated fees (there is a minimum monthly charge of \$150).

Ongoing COBRA Services	Description	Cost
Implementation and Annual Fees COBRA Eligible Population	Number of Eligible Employees 20 - 999	\$750
Monthly Fee Per COBRA-Eligible Employee	Number of Eligible Employees 20 - 999	\$0.80
Optional COBRA Services	Description	Cost
Annual Open Enrollment Services *(Per package with a \$300 minimum + postage)	Available after PayFlex has been providing administration for a minimum of 90 days.	\$15.00 per package + postage
Annual Open Enrollment Election Form Processing	Service offered if the Plan Sponsor administers the open-enrollment but wants the Open Enrollment form returned to PayFlex for processing.	\$5.00 per notice
Re-notification New Hire COBRA/HIPAA General Rights Notice	N/A	\$4.65 per notice
Custom Mailings (Non standard notices)	Any non standard notice mailing fee.	\$5.00 per notice
Custom Mailings (Set up Fee)	N/A	\$150.00 per hour
Manual Notification Form Processing	Eligibility updates to carriers are automatically provided. This may be accomplished through a file interface or faxes. The notification identifies Qualified Beneficiaries, the plan description, coverage start date and premium paid through date.	\$10.00 per form
Summary of Benefits and Coverage Form	N/A	\$0.60 per page + postage
Late Payment Notice	N/A	\$3.00 per notice
Optional Government Mandated Notice	N/A	\$10.00 per notice
Special Requests	As mutually agreed upon by the Plan Administrator and PayFlex	N/A
Rejected/NSF Client Funding ACH Transactions	The notification identifies Qualified Beneficiaries, the plan description, coverage start date and premium paid through date.	\$50.00 per occurrence of any client funding ACH pull that is rejected.

By the 5th working day of each month, PayFlex will provide a bill for all administration from the prior month. Reports detailing the prior month's activity will also be provided for your records. Prior to issuing the monthly invoice for the COBRA administration fees, PayFlex will provide the Company with an email as a reminder to update the COBRA eligible employee count on the employer web portal that will be used for the current month's Monthly Fee Per COBRA-Eligible fee. The Company agrees to update this count prior to the end of the current billing month. If PFS is not provided an updated number of COBRA eligible employees by the end of the current billing month, the Company agrees to pay the fee based on the count used the previous month.

PFS shall retain the 2% administrative fee on the total premium administered for COBRA participants.



City of Hays

Aetna Healthy Commitments - Fully Insured Funding

Effective Date: January 01, 2016

Wellness Programs Included to Help Members Stay Healthy and Improve Productivity

We believe that a workplace wellness strategy is essential to successfully motivate subscribers and sustain engagement in their health and well being. The Aetna Healthy Commitments program is designed to help improve our members' overall health by offering easy access to an online health assessment, Online Wellness Programs, and a variety of online self-help tools.

Health Assessment (Supported by Incentives)

Simple Steps To A Healthier Life[®] (SSHL)
Aetna's Health Assessment

A personalized online health and wellness program that begins with completing a health assessment. Upon completing the health assessment, the participant receives a Health Summary Report to keep and record their results over time, which can also be printed and shared with a health care provider. Based on information gathered in the health assessment, the participant receives a personalized HealthMap, containing online coaching program recommendations to help them achieve and maintain good health. The Health Assessment also is designed to assess participants' level of health risks, their readiness to change certain health behaviors and their impact of health on productivity. Plan Sponsors have access to aggregate results and can utilize information to design a wellness program and measure the success of the programs

Online Wellness Programs

The Online Health Coaching Programs ("Journeys") will personally invite subscribers who complete their Compass Health Assessments to join the program most likely to appeal to them, based on the information provided in their Health Assessments. Your subscribers will embark on a Journey that is tailored to their unique needs & preferences. Journeys are developed to maximize engagement and positive outcomes through use of:

- Adaptive Technology
- Gaming Mechanics
- Proven behavior science methodology

Available programs include: Be Tobacco Free, Blood Pressure in Check, Diabetes Life, Eat Healthier, Get Active, Healthy Back, Heart Healthy Cholesterol, Living Well with Asthma, Sleep Well, Stress Less, Weigh Less, and Health In A Hurry

Advocacy & Outreach Programs

24/7 Nurse Line - Informed Health[®] Line

24-hour nurse 1-800 support line - Members can call anytime and talk to a registered nurse for answers to health related questions. They can also listen to information from our audio health library on thousands of topics.

Communications Campaigns and Toolkits

Member Wellness Message Program

Electronic communications for employees that address general health and wellness topics, available in English and Spanish.

Online Self-Help Tools

Aetna Navigator[™]

A secure member website that is an online resource for personalized health and financial information. Subscribers can access their personal health benefits, find claims status and details, find cost of tests and medical visits, view health history report, receive wellness discounts, take the health assessment, participate in the Online Wellness Programs, locate a doctor, and self refer into available disease management programs and much more.

ReawakeningSM Center

Offers resources to encourage and assist people at risk for depression.

Healthwise[®] Knowledgebase

This feature on Aetna Navigator[™] is a decision-support tool that gives members access to powerful information resources in order to make better health decisions. Members have access to clinical information on 1,900 health topics, 600 medical tests and procedures, 500 support groups, and 3,000 medications.

Preventive Health Care Schedule

This informational schedule will guide members according to age and gender of preventive screenings needed and steps to take to live a long and healthy life.

Aetna Discount Programs

Our discount program helps members save money on a wide variety of products and services for themselves and their family. Members can save on gym memberships, weight loss programs, eyeglasses, LASIK laser eye surgery, massage therapy and much more!

Reporting

A variety of reports are available to plan sponsors via Navigator and Simple Steps, and may vary based on participation levels.

This material is for information only. Health information programs provide general health information and are not a substitute for diagnosis or treatment by a physician or other health care professional. Health benefits and health insurance plans contain exclusions and limitations. Not all health services are covered. See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. The Aetna Personal Health Record should not be used as the sole source of information about the member's health conditions or medical treatment. Discount programs provide access to discounted prices and are NOT insured benefits. The member is responsible for the full cost of the discounted services. Information is believed to be accurate as of the production date; however, it is subject to change.

For information about Aetna plans, refer to:

www.aetna.com.



City of Hays

Caveats - Fully Insured Funding

Effective Date: January 01, 2016

Assumptions
<p>Prospective Quoting The quoted insured medical rates are offered on a prospectively rated basis. No policy year accounting balance will be calculated for these coverages.</p>
<p>Billing and Payment of Premium Amount due is payable on the first day of the month covered by the invoice. If the amount due is not paid in full within 30 days, we reserve the right to terminate the contract and/or assess late premium payment charges.</p>
<p>Contract Period Our policies provide for automatic renewal upon the completion of each contract period unless either party invokes the termination provision requiring 31 days advance written notice of termination to the other party. This provision may be invoked at any time during the continuance of the contract (that is, not just limited to termination occurring on the renewal date).</p>
<p>Producer Service Fee We are not serving as billing and collection agent for producer service fee, therefore such fee is not included in this renewal.</p>
<p>Commissions Commissions have been excluded from our quoted rates.</p>
<p>Contributions Our rates assume compliance with our standard guidelines on employer contribution strategy. We standardly require that the employer contribute 75% of the employee cost, or 50% of the total employee and dependent cost. Employer contributions may not favor other medical plans over that of the Aetna plans. Our plan will have neutral to favorable employer contributions after adjusting for plan design, compared to other medical plans, including consumer directed plans (HRA and/or HSA models). In option situations, employer contributions must not disadvantage our offering.</p>
<p>Eligibility Eligibility applies to:</p> <ul style="list-style-type: none"> • Permanent full-time employees working 25 hours or more per week, on a regularly scheduled basis. • Eligible dependents include an employee's spouse and children up to the limiting age of the plan or as mandated by legislative requirement. • Individuals cannot be covered as an employee and dependent under the same plan. • Children eligible for coverage through both parents cannot be covered by both under the same plan.
<p>Plan Design This renewal is based on the plan designs in Package B, plus any noted deviations. Our standard provisions, contract wording and claim settlement practices will apply for items not specifically outlined.</p>
<p>Financial Condition Plan Sponsor is a legitimate business and meets underwriting approval for acceptable financial strength. We reserve the right to request additional supporting information in order to evaluate financial status.</p>
<p>Mandates Benefit provisions are subject to state, local, and federal mandates. Future mandates will be incorporated in the plan(s) as of the date required by law and may require rate adjustments.</p>
<p>Network Re-Contracting In addition to standard fee-for-services rates, contracted rates with network providers may also be based on case and/or per diem rates and in some circumstances, include risk-adjustment calculations, quality incentives, pay-for-performance and other incentive and adjustment mechanisms. These mechanisms may include payments to organizations that may refer to themselves as accountable care organizations ("ACOs") and patient-centered medical homes ("PCMHs"), in the form of accountable care payments (ACP) and incentive arrangements based on clinical performance and cost-effectiveness. The ACP amount is based upon an assessment for each member who is already accessing providers in an ACO, and is assessed retrospectively on a quarterly basis and collected through established claim wire. Each ACO will have a different ACP based on the clinical efficiencies targeted and network negotiations. The ACP assists the ACO in funding transformation of the health care system to improve quality, reduce costs and enhance the patient experience by:</p> <ul style="list-style-type: none"> • Identifying and engaging patients at risk for health crises sooner through more data-sharing • Increasing patient engagement in best-in-class care management programs through doctor-driven outreach • Delivering better health outcomes through increased collaboration between the health plan and ACO providers
<p>We reserve the right to revise the Fees if:</p>
<p>Member/Subscriber Ratio</p>

The enrolled member to subscriber ratio increases or decreases by more than 10% from the 2.54 ratio assumed in this quote.

Enrollment

The actual enrollment in total or by plan changes by more than 10% compared with what was proposed.

The plan sponsor offers coverage to employee previously not covered under the plan without prior notification.

Contract Provisions

The final benefit provisions, account structure, claim payment requirements or services change from those proposed.

COBRA Enrollment

If the total number of COBRA enrollees exceeds 10 percent of the total enrolled group or the total number of COBRA enrollees increases by more than 5.0 percentage points from what was assumed in this renewal, a rate change may be required.

Retiree Enrollment

There is a 10.0% increase in the percentage of employees or retirees over the age of 65 from that assumed or from any subsequently reset assumptions. We have assumed that 5.0% of the enrolled employees are over the age of 65.

Health Care Reform Caveats

Healthcare Reform Disclosure

This renewal is intended to be compliant with health care reform.

The Federal government released regulations related to grandfathering of health plans in existence on March 23, 2010. Under the health care reform legislation, health plans existing prior to the enactment of the legislation may be "grandfathered" and not subject to some of the mandated benefits and reform provisions. Changes in your benefit design as well as your contribution strategy may affect grandfathering. Plan sponsors are required to notify us if their contribution rate changes for a grandfathered plan at any point during the plan year.

This renewal offer assumes your plan is not grandfathered.

As a non-grandfathered plan, the plan will include Preventive care as defined by regulation without cost sharing on In Network services.

This renewal includes the women's preventive care coverage requirements, e.g., coverage for contraceptive methods and counseling, breastfeeding support and equipment, and prenatal care.

Certain religious employers and organizations may be exempt from contraceptive services coverage requirements, or may be eligible for a religious accommodation. If you qualify and want to be exempt from including ACA contraceptive services benefits in your policy, please work with your Account Manager/Account Executive to provide the required documentation so that we can administer accordingly. We have the right to treat insured plans as subject to the ACA contraceptive services coverage requirements without an executed certification document. Applicable state laws requiring coverage of or related to contraceptive services benefits still may apply.

Except for specific and limited scenarios described as transitional rules in the health care reform legislation, if a plan's grandfathered status has been lost, it cannot be regained. If, after reviewing the grandfathering rules with your benefit consultant or counsel, the Plan Sponsor determines that their coverage could be or is grandfathered, and you want to retain grandfathered status, please contact us for further instructions.

We reserve the right to treat an insured plan as non-grandfathered.

The Affordable Care Act (ACA) prohibits insured group health plans that are not grandfathered from discriminating in favor of highly compensated employees as to benefits and eligibility. This rule will become effective after additional regulatory guidance is issued in the future. Employer penalties for violating the rule include a \$100 per day penalty multiplied by the number of those individuals "discriminated against." If you think your plan may be discriminatory under ACA, we urge you to monitor the rulemaking process and contact your benefits attorney or tax counsel for further guidance. We do not conduct discrimination testing and are not responsible for an employer's compliance with this ACA non-discrimination rule.

The benefits and rates within this proposal are subject to change pending any required approvals or future guidance from state or federal regulatory agencies. If you have questions, please contact your Account Executive.

We reserve the right to modify its products, services, rates and fees, in response to legislation, regulation or requests of government authorities resulting in changes to plan benefits and to recoup any material fees, costs, assessments, or taxes due to changes in the law even if no benefit or plan changes are mandated.

Retiree Only Plan Status Certification

Guidance issued by the Internal Revenue Service ("IRS"), Department of Labor ("DOL"), and Department of Health and Human Services ("HHS") has indicated that "retiree only" plans are exempt from the benefit mandates under ACA including Medical Loss Ratio ("MLR") and rebate requirements for insured plans (Retiree only plans are subject to certain ACA fees and assessments). In order to demonstrate the establishment of a retiree only plan, a plan should maintain, separately from the plan for current (i.e., active) employees, a separate plan document and Summary Plan Description (SPD) and file a separate Form 5500. If you have a retiree only plan, and want to be considered exempt, please provide the required documentation to us. We have the right to treat insured plans as subject to ACA without an executed certification document.

Affordable Care Act – fees and assessments

The Affordable Care Act (ACA) imposed several new fees/assessments, including the Transitional Reinsurance Contribution and the Health Insurance Provider Fee (hereinafter “HIP”). These fees were effective as of January 1, 2014 and are included in the insured rate quotes. We reserve the right to modify these rates, or otherwise recoup such fees, based on future regulatory guidance, subsequent state regulatory approval, or if estimates are materially insufficient.

Transitional Reinsurance Contribution

Health insurers and self-funded plan sponsors are required to fund the transitional reinsurance program in effect from January 1, 2014 through December 31, 2016. This program was created to stabilize premiums and to fund payments to individual market issuers covering high-cost individuals. The government plans to collect \$25 billion in per capita fees from health insurers and self-funded group health plans, over the three-year period. States may choose to collect additional contributions, although as of the 2014 calendar year, no states have chosen to do so.

Health Insurance Provider Fee

This recurring annual industry fee is assessed based on each insurer’s share of the fully insured market. A total of \$8.0 billion was collected across the industry in 2014. The total assessment will increase each year to an estimated \$14.3 billion in 2018 and will increase at the rate of premium growth thereafter.

Member Out of Pocket Limit

For non-grandfathered plans renewing on or after January 1, 2014, all in-network medical, behavioral health, and pharmacy member cost sharing, which includes all copays, coinsurance and deductibles, must apply to a member’s out-of-pocket (OOP) maximums. The OOP maximum limit cannot exceed the limits set by the Department of Health and Human Services, or under the tax law for high deductible health plans paired with Health Savings Accounts (HSAs).

A plan may maintain separate OOP maximums for different benefit categories, as long as the combined totals do not exceed the statutory limit. For plans renewing on or after January 1, 2015 plans will have two options to maintain compliance:

- Integrated medical and pharmacy OOP maximum that does not exceed the statutory limit
- Non-integrated medical and pharmacy OOP maximums that collectively do not exceed the statutory limit – this option is not available for high deductible health plans paired with HSAs

High deductible health plans paired with HSAs are still required to integrate all accumulators for medical, behavioral health and pharmacy benefits. Integration support is not available for fully insured business.

The rates provided may include an adjustment in order to bring your plan into compliance with the member payment limit requirements.

Waiting Period Requirement

Under the ACA, when group health plans renew on or after January 1, 2014, they cannot apply a waiting period that exceeds 90 days. That means otherwise eligible plan participants and beneficiaries (employees and their dependents) must be able to elect coverage that becomes effective on a date that does not exceed 90 days. Insurers and group health plans are both responsible for this provision for insured business. Both the Employer and issuer could be subject to potential penalties for non-compliance. Note that some states may permit maximum waiting periods that do not exceed a specified period that is less than ninety (90) days.

When renewing its plan(s) with us, the Employer represents that:

- It will provide us effective dates for its employees and their dependents that take into account all state and federal eligibility conditions and waiting period requirements, including a reasonable and bona fide orientation period.
- If this information changes, the Employer will inform us immediately.

We will use this effective date information to enroll eligible employees and dependents into the group plan.

Orientation Period

Under the ACA, when group health plans renew on or after January 1, 2014, a reasonable and bona fide orientation period can be imposed as a condition for eligibility for coverage under a plan before the waiting period begins (see Waiting Period Requirement information above). The final rule states the maximum length of the orientation period is one month. One month is generally determined by adding one calendar month and then subtracting one calendar day from an employee’s start date in a position that is otherwise eligible for coverage. The orientation period is determined and administered by the plan sponsor prior to the start of the benefit waiting period, and is not tracked in our systems.

Essential Health Benefits

The ACA prohibits the application of annual dollar limits for any Essential Health Benefits for all plans effective on or after January 1, 2014 (the prohibition of lifetime dollar limits on Essential Health Benefits has been in effect since 2010). To the extent that your current benefit plan includes such limits, this renewal includes the removal of those limits.

Summaries of Benefits and Coverage (SBC)

For applicable plans and policies with effective dates of January 1, 2014, and later, the SBC must include statements about whether the plan or coverage provides minimum essential coverage (MEC) and if the coverage meets minimum value (MV)

requirements.

Under the Affordable Care Act (ACA), minimum value and minimum essential coverage determinations are associated with the employer shared responsibility provisions. We will review the minimum value standard for each plan based on the MV calculator criteria provided by the Department of Health and Human Services (HHS) and will indicate within the SBC whether the plan meets or does not meet the MV standard based on this review. We do not provide legal or tax advice, and recommend that plan sponsors consult with their own legal and tax counselors when reviewing MEC and MV determinations. We have no responsibility or liability regarding the minimum value or minimum essential coverage evaluation, regardless of the role we may have played in reviewing/producing the SBC documents. To the extent you disagree with our evaluation, we will make changes to reflect your determination, as you are responsible for the final determination of these SBC elements.

HIPAA Certificates of Creditable Coverage

After 12/31/14, non-excepted health plans are no longer required to issue HIPAA Certificates of Creditable Coverage. The certificates are no longer needed because, for plan years on or after 1/1/14, insurers are prohibited from imposing pre-existing condition exclusions under the Affordable Care Act. Final rules have amended the HIPAA provision that required these certificates to reduce pre-existing condition periods for new enrollees in plans. As a result, we will not produce and distribute HIPAA Certificates of Creditable Coverage as of 1/1/15.

Employer Reporting Requirements

Under Internal Revenue Code (IRC) Section 6055 health insurance issuers, certain employers, government agencies and other entities that provide Minimum Essential Coverage (MEC) to individuals must report to the IRS information about the type and period of coverage and furnish related statements to covered individuals. This information is used by the IRS to administer the individual shared responsibility provision and by individuals to show compliance with the individual shared responsibility provision.

For insured group health plans, the reporting obligation under Section 6055 is on the insurer. We will report the required information to the IRS about the type and period of coverage provided to each individual member enrolled in our insured plans, and will furnish the required statements to subscribers. We will send these statements either by first class mail or, when we receive appropriate consent, electronically. We must report the entire Social Security numbers (SSN) to the IRS for each subscriber and dependent in order to complete our required reporting. However, the final rules allow the use of truncated social security numbers on statements furnished to individuals (for example, give only the last four digits of the SSN). If we don't receive the SSN through the employer, the law requires we reach out to each subscriber up to three separate times to request the information.

IRC Section 6056 requires large employers (those having employed an average of 50 or more full-time employees during the preceding calendar year) to report to the IRS information about the health care coverage they have offered and also furnish applicable statements to employees. The purpose is to allow the IRS to enforce the employer responsibility provisions.

To satisfy the 6056 employer reporting requirements, you must file the required returns with the IRS by no later than February 28 of the year following coverage (if filing on paper) or March 31 (if filing electronically), and furnish a statement to all full-time employees by January 31st of the year following the calendar year to which the return relates (i.e., January 31, 2016 for the 2015 calendar year).

Federal Mental Health Parity

The Federal Mental Health Parity and Addiction Equity Act of 2008 (the Act) applied to fully insured traditional and HMO Middle Market (MM) & National Accounts (NA) commercial plans as well as self-funded Traditional and HMO MM & NA commercial plans for plan years beginning on or after October 3, 2009. This means many calendar year plans were required to comply with the Act by Jan. 1, 2010. The 2010 Interim Final Rule applied to plan years beginning on or after July 1, 2010, so calendar year plans were required to comply with the regulations by January 1, 2011. Final rules were recently released and generally apply to group health plans and health insurance issuers offering group health insurance coverage for plan years beginning on or after July 1, 2014, including non-grandfathered small group and all individual plans. Until the applicability date of the Final rules, plans and issuers subject to Federal Mental Health Parity must continue to comply with the Interim Final rules.

Medical EOBs

We make EOBs available through our secure Navigator website for subscribers who have registered to use Navigator and for whom we have a valid email address. We send members an email when a new EOB is available. All other members receive paper EOBs. If a member receiving EOBs electronically prefers paper EOBs, they can get them by telling us that is their preference. Please note that unless required by state law we do not produce EOBs for claims when there is no member liability.

Medical Disclosure Information

At the time of annual enrollment, your plan participants should be provided with the Medical Disclosure information related to their plan of benefits. This link(s) below will take you to the Medical Disclosure information page.

<http://www.aetna.com/individuals-families-health-insurance/rights-resources/member-disclosure.html>

Go to the disclosure information category pertinent to your state specific benefit plan (e.g., Open Access Managed Choice) and hit the GO button to obtain the General Disclosure document if your state is not listed in the drop down button. If your state is listed in the drop down arrow button, please access the state specific disclosure document instead. In addition, check under the Addendum category for additional state specific disclosure documents. Please provide the applicable Medical Disclosure document and any required Addendum to your plan participants. If you have any questions, please contact your broker or account management team.

Disclosure Statement

"Aetna" is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies.

The Aetna companies include:

Aetna Health Inc., Aetna Health of California Inc., Aetna Health of the Carolinas Inc., Aetna Health of Washington Inc., Aetna Health Insurance Company of Connecticut, Aetna Health Insurance Company of New York, Corporate Health Insurance Company; Aetna Life Insurance Company; Aetna Dental Inc.; and/or Aetna Dental of California Inc.; Aetna Health of Utah Inc. Certain dental plans are available only for groups of a certain size in accordance with underwriting guidelines. Managed care plans may not cover all health care expenses. Contracts should be read carefully to determine which health care services are covered. While this material is believed to be accurate as of the print date, it is subject to change. For more specific information about the coverage details, including limitations, exclusions, and other plan requirements, please contact an Aetna representative.

Aetna has various programs for compensating producers (agents, brokers and consultants). If you would like information regarding compensation programs for which your producer is eligible, payments (if any) which Aetna has made to your producer, or other material relationships your producer may have with Aetna, you may contact your producer or your Aetna account representative. Information regarding Aetna's program compensating producers is also available at www.aetna.com.

The information contained in this proposal is confidential and should not be shared with anyone other than your broker or benefit plan consultant.



Aetna Resources For Living Employee Assistance Program (EAP)

Program Comparison

A proactive Aetna Resources For Living EAP quote has been included with two options to meet the needs of your employee population.

Product feature	3-session model \$1.17 PEPM	6-session model \$1.38 PEPM
Unlimited telephonic consultation	✓	✓
Face-to-face counseling, per issue, per year	Up to 3	Up to 6
Worklife support	+\$0.12 PEPM	+\$0.12 PEPM
myStrength® online emotional wellness portal	✓	✓
Financial resources	✓	✓
Legal resources	✓	✓
ID Theft	✓	✓
Member website	✓	✓
Member mobile app	✓	✓
Management referrals	✓	✓
Management consultation	✓	✓
HR Consultation	✓	✓
Critical Incident Response	✓	✓
Proactive Account Management	✓	✓
Flyers and wallet cards	✓	✓
Monthly email newsletter	✓	✓
Semi-annual and Annual Utilization reports	✓	✓

Rates and benefits do not apply to existing full-service EAP customers

Product Features

Telephonic consultation

Unlimited telephonic access to the EAP call center staff, available 24 hours per day, 7 days per week, 365 days per year for purposes of assessing Member need and referring to appropriate EAP Services.

Face-to-face counseling

Members have access to our EAP network providers for a pre-determined number of face-to-face clinical sessions, as elected by the customer. Each member is entitled, on a contract year, up to the number of counseling sessions per issue (e.g., up to three counseling sessions per member per problem under the 3-session EAP model). Face-to-face counseling sessions require prior authorization. The member contacts Aetna Resources For Living to receive referrals and an authorization to a contracted EAP network provider. We consider marital and/or family sessions as one issue for the couple or family and do not authorize sessions individually for each attendee. Some network providers also provide telephonic or televideo options where appropriate.

Worklife support

This service provides telephonic access to Worklife specialists who give a comprehensive consultation and do all the legwork to meet members' everyday needs. They provide qualified referrals for child care, elder care and other personal, household and family issues.

Financial resources

Members may access financial forms and templates on-line as well as unlimited* telephonic consultation with a financial professional.

Legal resources

Members have unlimited* telephonic consultation with legal professionals or an initial 30-minute face-to-face consultation with in-state legal professionals. If the member retains the legal professional, an additional 25% discount is available.

Member website

Our member website includes access to information and resources to assist with childcare, home health care, assisted living facilities, school, colleges, health clubs, pet services and more.

Member mobile app

Access Aetna Resources For Living on the go with our mobile app. We provide access to resources and content on your schedule and track your mood or email a service request.

*One session per issue with unlimited number of issues.

Management consultation

We staff our Management Referral Unit with licensed clinicians who are specially trained in resolving workplace issues. When an employee's situation mandates a formal management referral, we can help your managers and supervisors through every step of the referral process.

HR Consultation

Our account managers, management resources consultants and training consultants all stay abreast of the government regulations and maintain a broad base of knowledge to help formulate and update corporate policies. It's like adding expert consultants to your Human Resources department — without the added expense.

Critical Incident Response

We customize and design critical incident responses to meet your organizational and individual needs, to minimize damage and return people to previous levels of productivity as soon as possible. **Unlimited incidents included, up to ten hours per incident.**

Proactive Account Management

We have a seasoned account management team to serve as your single-point-of-contact within Aetna for any question, reports or feedback.

ID Theft

A staff certified Fraud Resolution telephonic specialist provides a consultation up to 60 minutes for victims of Identity Theft

myStrength®

We now provide myStrength®, a unique online emotional wellness portal. It can help your employees with mild or moderate depression and anxiety. The program offers practical ways to improve emotional and overall well-being through eLearning programs, simple tools, trusted resources and daily motivation.



Terms and Conditions

Pricing assumptions

- Prices assume no commissions or other fees payable to brokers or consultants.
- Quote does not apply to existing full-service EAP customers.
- Billing process of single EAP bill at plan sponsor level from centralized EAP Operations. Any deviation from standard billing process will require EAP Operations approval.
- Prices are guaranteed for three years from the effective date
- Any deviation from the rate card will require a customer-specific quote from EAP Underwriting
- EAP services may be subject to regulation under the Knox Keene Act in the State of California. Program documentation and procedures may be adjusted accordingly.

EAP Terms/Conditions

- Quote allows access for employees and immediate household members up to the selected number of sessions per issue, per year.
- Quote assumes employee population will not increase or decrease by more than 20%. Rates may be adjusted if the population falls out of this range.
- An unlimited number of Standard Critical Incident Response sessions are included in the EAP Session Model PE/PM Rate. Critical Incident Response Services are limited to 10 hours per incident. Immediate services and issues concerning downsizing, mergers, acquisition activities (i.e. Reductions in Force or RIF's), catastrophic natural disasters, and terrorism, or services beyond the 10 hour cap, are subject to the hourly rates below.
 - Standard Services: On-site attendance response time in greater than two hours. \$250 per hour plus travel.
 - Immediate Services: On-site attendance response time in less than two hours. \$350 per hour plus travel.
 - Reduction In Force Services: \$250 per hour plus travel.
 - Travel and preparation expenses reimbursed at a flat rate of \$150 per location.
- Workplace Seminars/Brown Bag Training — General behavioral health and worklife training, including employee and supervisor orientation provided in-person, telephonically, or through the web. \$250 per hour plus travel.
 - Travel and preparation expenses reimbursed at a flat rate of \$150 per location. If training is not scheduled consecutively or multiple topics are scheduled, additional travel and preparation costs may apply.
 - For webinars with more than 25 participants, an additional charge of \$50 applies for each additional 25 participants up to a maximum of 200 participants.
 - Department of Transportation (DOT) services are excluded from standard Training and Education services.
- Cancellation fees:
 - Crisis Response or Reductions in Force: Failure to provide 24 hour notice of cancellation of Services which are excluded from the unlimited provision listed above which are subject to the hourly rate will result in a charge of \$375 per incident.
 - Trainings: Failure to provide three business days' notice of cancellation of a previously scheduled training program will result in a charge of \$375 per hour.
- Drug Free Workplace services:
 - Substance Abuse Case Management by a Substance Abuse Professional (SAP) and/or Department of Transportation regulation compliance. \$750 per case
 - Department of Transportation (DOT) Training pricing - Please contact Aetna Behavioral Health for pricing.



Aetna Resources For LivingSM is the brand name used for products and services offered through the Aetna group of subsidiary companies (Aetna). The EAP is administered by Aetna Behavioral Health, LLC. In California for Knox-Keene plans, Aetna Health of California, Inc. and Health and Human Resources Center, Inc.

All EAP calls are confidential, except as required by law. This material is for informational purposes only. It contains only a partial, general description of programs and services and does not constitute a contract. EAP instructors, educators and network participating providers are independent contractors and are neither agents nor employees of Aetna. Aetna does not direct, manage, oversee or control the individual services provided by these persons and does not assume any responsibility or liability for the services they provide and, therefore, cannot guarantee any results or outcomes. The availability of any particular provider cannot be guaranteed and is subject to change.

Information is believed to be accurate as of the production date; however, it is subject to change.

For more information about Aetna plans, refer to www.aetna.com

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City of Hays

Collaborate with a strong partner

- Aetna was ranked number 18 by Barron's in its list of the **Best Companies for 2014** - up 200 places from last year.
- In 2014, for the fourth straight year, Aetna received a **ClearMark award** from the Center for Plan Language.
- Aetna Disability Behavioral Health Unit is the winner of **Dorland Health's 2014 Case In Point Platinum Award** in the Behavioral Health category. The award recognizes successful and innovative case management programs.
- Aetna was honored by the National Business Group on Health with the **2014 Innovation in Reducing Health Care Disparities Award**. We are a three-time recipient of the award.
- Aetna was recognized in 2014 as one of the **most community-minded** companies nationally in the "Civic 50" rankings. It was the third consecutive year Aetna earned the distinction.
- Aetna was ranked #52 on InformationWeek's 2013 list of the 500 leading technology innovators. Aetna ranked first among insurers.
- Aetna received a **2013 Best Employer for Healthy Lifestyles Platinum Award** from the National Business Group on Health. Aetna has received the platinum award seven times and the gold award once for establishing "healthy weight, healthy lifestyles" programs with measurable documented outcomes.
- Aetna won the National Business Coalition on Health's **2013 eValue8 Innovation Award for the Member Payment Estimator tool**.
- Aetna and Silverlink Communications received a top award in **Consumer Innovation** at the 2012 TripleTree iAwards for Wireless Health for their text messaging program for members diagnosed with diabetes.

[For More Information on Aetna Awards and Recognition](#)

PLAN DESIGN

Customer Name: City Of Hays

Proposed Effective Date: 01-01-2016

Policy Period: 0

Data Source ID: D31162 - 1 - KS

Option: 1

Plan: Open POS Plus Plan

Location(s): Kansas

Specialty Networks Included: None Quoted

Organization Name: Aetna

PLAN FEATURES	IN-NETWORK	OUT-OF-NETWORK
Deductible (per calendar year)	\$2,500 Individual \$5,000 Family	\$5,000 Individual \$10,000 Family
<p>All covered expenses accumulate separately toward the preferred or non-preferred Deductible. Unless otherwise indicated, the deductible must be met prior to benefits being payable. Member cost sharing for certain services, as indicated in the plan, are excluded from charges to meet the Deductible. Pharmacy expenses do not apply towards the Deductible. The family Deductible is a cumulative Deductible for all family members. The family Deductible can be met by a combination of family members; however no single individual within the family will be subject to more than the individual Deductible amount.</p>		
Member Coinsurance	50%	50%
Applies to all expenses unless otherwise stated.		
Payment Limit (per calendar year)	\$6,350 Individual \$12,700 Family	\$12,500 Individual \$25,000 Family
<p>All covered expenses accumulate separately toward the preferred or non-preferred Payment Limit. Certain member cost sharing elements may not apply toward the Payment Limit. Pharmacy expenses apply towards the Payment Limit. Only those out-of-pocket expenses resulting from the application of coinsurance percentage, copays, and deductibles (except any penalty amounts) may be used to satisfy the Payment Limit. The family Payment Limit is a cumulative Payment Limit for all family members. The family Payment Limit can be met by a combination of family members; however no single individual within the family will be subject to more than the individual Payment Limit amount.</p>		
Lifetime Maximum	Unlimited except where otherwise indicated.	
Payment for Non-Preferred	Not Applicable	Professional: 100% of Medicare Facility: 100% of Medicare
Primary Care Physician Selection	Optional	Not Applicable
Certification Requirements -	<p>Certification for certain types of Non-Preferred care must be obtained to avoid a reduction in benefits paid for that care. Certification for Hospital Admissions, Treatment Facility Admissions, Convalescent Facility Admissions, Home Health Care, Hospice Care and Private Duty Nursing is required - excluded amount applied separately to each type of expense is \$400 per occurrence.</p>	
Referral Requirement	None	None
PREVENTIVE CARE	IN-NETWORK	OUT-OF-NETWORK
Routine Adult Physical Exams/ Immunizations	Covered 100%; deductible waived	50%; after deductible
1 exam every 12 months for members age 22 to age 65; 1 exam every 12 months for adults age 65 and older.		
Routine Well Child Exams/Immunizations	Covered 100%; deductible waived	50%; after deductible
7 exams in the first 12 months of life, 3 exams in the second 12 months of life, 3 exams in the third 12 months of life, 1 exam per year thereafter to age 22.		
Routine Gynecological Care Exams	Covered 100%; deductible waived	50%; after deductible
Recommended: One exam per calendar year. Includes routine tests and related lab fees.		
Routine Mammograms	Covered 100%; deductible waived	50%; after deductible
Women's Health	Covered 100%; deductible waived	50%; after deductible
<p>Includes: Screening for gestational diabetes, HPV (Human- Papillomavirus) DNA testing, counseling for sexually transmitted infections, counseling and screening for human immunodeficiency virus, screening and counseling for interpersonal and domestic violence, breastfeeding support, supplies and counseling. Contraceptive methods, sterilization procedures, patient education and counseling. Limitations may apply.</p>		

Routine Digital Rectal Exam Recommended: For covered males age 40 and over.	Covered 100%; deductible waived	50%; after deductible
Prostate-specific Antigen Test Recommended: For covered males age 40 and over.	Covered 100%; deductible waived	50%; after deductible
Colorectal Cancer Screening Recommended: For all members age 50 and over.	Covered 100%; deductible waived	50%; after deductible
Routine Eye Exams 1 routine exam per 24 months.	\$60 copay; deductible waived	50%; after deductible
Routine Hearing Screening	Covered 100%; deductible waived	50%; after deductible
PHYSICIAN SERVICES	IN-NETWORK	OUT-OF-NETWORK
Office Visits to PCP Includes services of an internist, general physician, family practitioner or pediatrician.	\$30 copay; deductible waived	50%; after deductible
Specialist Office Visits	\$60 copay; deductible waived	50%; after deductible
Audiometric Hearing Exam	Not Covered	Not Covered
Pre-Natal Maternity	Covered 100%; deductible waived	Covered according to standard claim practice.
Walk-in Clinics Walk-in Clinics are network, free-standing health care facilities. They are an alternative to a physician's office visit for treatment of unscheduled, non-emergency illnesses and injuries and the administration of certain immunizations. It is not an alternative for emergency room services or the ongoing care provided by a physician. Neither an emergency room, nor the outpatient department of a hospital, shall be considered a Walk-in Clinic.	\$30 copay; deductible waived	50%; after deductible
Allergy Testing	Member cost sharing is based on the type of service performed and the place of service where it is rendered	Member cost sharing is based on the type of service performed and the place of service where it is rendered
Allergy Injections	Member cost sharing is based on the type of service performed and the place of service where it is rendered	Member cost sharing is based on the type of service performed and the place of service where it is rendered
DIAGNOSTIC PROCEDURES	IN-NETWORK	OUT-OF-NETWORK
Diagnostic X-ray If performed as a part of a physician office visit and billed by the physician, expenses are covered subject to the applicable physician's office visit member cost sharing.	50%; after deductible	50%; after deductible
Diagnostic Laboratory If performed as a part of a physician office visit and billed by the physician, expenses are covered subject to the applicable physician's office visit member cost sharing.	Covered 100%; deductible waived	50%; after deductible
Diagnostic Outpatient Complex Imaging	50%; after deductible	50%; after deductible
EMERGENCY MEDICAL CARE	IN-NETWORK	OUT-OF-NETWORK
Urgent Care Provider	\$50 copay; deductible waived	50%; after deductible
Non-Urgent Use of Urgent Care Provider	Not Covered	Not Covered
Emergency Room Copay waived if admitted	20% after \$200 copay; after deductible	Same as in-network care
Non-Emergency Care in an Emergency Room	Not Covered	Not Covered
Emergency Use of Ambulance	50%; after deductible	Same as in-network care
Non-Emergency Use of Ambulance	Not Covered	Not Covered
HOSPITAL CARE	IN-NETWORK	OUT-OF-NETWORK
Inpatient Coverage The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	50%; after deductible	50%; after deductible

Inpatient Maternity Coverage (includes delivery and postpartum care) The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	50%; after deductible	50%; after deductible
Outpatient Hospital Expenses The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	50%; after deductible	50%; after deductible
Outpatient Surgery The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	50%; after deductible	50%; after deductible
Outpatient Surgery - Freestanding Facility The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	50%; after deductible	50%; after deductible
MENTAL HEALTH SERVICES	IN-NETWORK	OUT-OF-NETWORK
Inpatient The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	50%; after deductible	50%; after deductible
Outpatient The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	\$60 copay; deductible waived	50%; after deductible
ALCOHOL/DRUG ABUSE SERVICES	IN-NETWORK	OUT-OF-NETWORK
Inpatient Member cost sharing is based on the type of service performed and the place of service where it is rendered	50%; after deductible	50%; after deductible
Residential Treatment Facility	50%; after deductible	50%; after deductible
Outpatient The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	\$60 copay; deductible waived	50%; after deductible
OTHER SERVICES	IN-NETWORK	OUT-OF-NETWORK
Convalescent Facility Limited to 60 days per calendar year. The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	50%; after deductible	50%; after deductible
Home Health Care	\$60 copay; deductible waived	50%; after deductible
Hospice Care - Inpatient The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	50%; after deductible	50%; after deductible
Hospice Care - Outpatient The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	\$60 copay; deductible waived	50%; after deductible
Outpatient Short-Term Rehabilitation Includes Speech, Physical, and Occupational Therapy, limited to 40 visits per calendar year.	\$60 copay; deductible waived	50%; after deductible
Autism Behavioral Therapy Covered same as any other Outpatient Mental Health benefit	\$60 copay; deductible waived	50%; after deductible
Autism Applied Behavior Analysis Covered same as any other Outpatient Mental Health benefit	\$60 copay; deductible waived	50%; after deductible
Autism Physical Therapy To age 12, unlimited visits	\$60 copay; deductible waived	50%; after deductible
Autism Occupational Therapy To age 12, unlimited visits	\$60 copay; deductible waived	50%; after deductible
Autism Speech Therapy To age 12, unlimited visits	\$60 copay; deductible waived	50%; after deductible

Spinal Manipulation Therapy	\$25 copay; deductible waived	50%; after deductible
Durable Medical Equipment	50%; after deductible	50%; after deductible
Diabetic Supplies -- (if not covered under Pharmacy benefit)	Covered same as any other medical expense.	Covered same as any other medical expense.
Contraceptive drugs and devices not obtainable at a pharmacy	Covered 100%; deductible waived	Covered same as any other expense.
Generic FDA-approved Women's Contraceptives	Covered 100%; deductible waived	50%; after deductible
Infusion Therapy Administered in the home or physician's office	\$30 copay; deductible waived	50%; after deductible
Infusion Therapy Administered in an outpatient hospital department or freestanding facility	50%; after deductible	50%; after deductible
Transplants	50%; after deductible Preferred coverage is provided at an IOE contracted facility only.	50%; after deductible Non-Preferred coverage is provided at a Non-IOE facility.
Bariatric Surgery	Not Covered	Not Covered
Out of Area Dependents	Coverage provided at the non-preferred benefit level of the plan.	
FAMILY PLANNING	IN-NETWORK	OUT-OF-NETWORK
Infertility Treatment	Member cost sharing is based on the type of service performed and the place of service where it is rendered	Member cost sharing is based on the type of service performed and the place of service where it is rendered
Diagnosis and treatment of the underlying medical condition.		
Comprehensive Infertility Services	Not Covered	Not Covered
Coverage includes Artificial Insemination (limited to six courses of treatment per member's lifetime) and Ovulation Induction (limited to six courses of treatment per member's lifetime). Lifetime maximum applies to all procedures covered by any of our plans except where prohibited by law.		
Advanced Reproductive Technology (ART)	Not Covered	Not Covered
ART coverage includes: In vitro fertilization (IVF), zygote intrafallopian transfer (ZIFT), gamete intrafallopian transfer (GIFT), cryopreserved embryo transfers, intracytoplasmic sperm injection (ICSI) or ovum microsurgery.		
Vasectomy	Member cost sharing is based on the type of service performed and the place of service where it is rendered	Member cost sharing is based on the type of service performed and the place of service where it is rendered
Tubal Ligation	Covered 100%; deductible waived	Member cost sharing is based on the type of service performed and the place of service where it is rendered
Voluntary Abortion	Not Covered	Not Covered
PHARMACY	IN-NETWORK	OUT-OF-NETWORK
Pharmacy Plan Type	Aetna Value Plus Open Formulary	
Value Drugs/Tier 1A - Retail (2.5 times retail copay for 31-90 day supply at participating pharmacies. Percentage copays will not be doubled)	\$3 copay for up to a 30 day supply at participating pharmacies	50% of submitted cost; after applicable copay
Value Drugs/Tier 1A - Mail Order	\$7.5 copay for up to a 31-90 day supply from Aetna Rx Home Delivery®.	Not Applicable

Retail (2.5 times retail copay for 31-90 day supply at participating pharmacies. Percentage copays will not be doubled)	\$12 copay for formulary generic drugs, \$40 copay for formulary brand-name drugs, and \$65 copay for non-formulary brand-name and generic drugs up to a 30 day supply at participating pharmacies.	50% of submitted cost; after applicable copay
Mail Order	\$30 copay for formulary generic drugs, \$100 copay for formulary brand-name drugs, and \$162.5 copay for non-formulary brand-name and generic drugs. Up to a 31-90 day supply from Aetna Rx Home Delivery®.	Not Applicable
Aetna Value Plus Specialty Drugs	20% for formulary and non-formulary drugs Maximum copay of \$150 for formulary drugs and \$250 for non-formulary drugs Value Plus Specialty Drug List All prescription fills must be through our preferred Aetna Specialty Pharmacy network.	Not Applicable
Choose Generics - If the member or the physician requests brand when generic is available, the member pays the applicable copay plus the difference between the generic price and the brand price.		
Plan Includes: Diabetic supplies and Contraceptive drugs and devices obtainable from a pharmacy. A limited list of over-the-counter medications are covered when filled with a prescription. Value Plus Pre-certification included Value Plus Step Therapy included One transition fill allowed within 90 days of member's effective date Formulary Generic FDA-approved Women's Contraceptives and certain over-the-counter preventive medications covered 100% in network.		

GENERAL PROVISIONS

Dependents Eligibility Spouse, children from birth to age 26 regardless of student status.

**We cover the cost of services based on whether doctors are "in network" or "out of network." We want to help you understand how much we pay for your out-of-network care. At the same time, we want to make it clear how much more you will need to pay for this "out-of-network" care.

- For doctors and other professionals the amount is based on what Medicare pays for these services. The government sets the Medicare rate. Exactly how much we "recognize" depends on the plan you or your employer picks.
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Your doctor sets his or her own rate to charge you. It may be higher -- sometimes much higher -- than what your plan "recognizes." Your doctor may bill you for the dollar amount that we don't "recognize." You must also pay any copayments, coinsurance and deductibles under your plan. No dollar amount above the "recognized charge" counts toward your deductible or out-of-pocket maximums. To learn more about how we pay out-of-network benefits visit our website.

Plans are provided by: Aetna Life Insurance Company. While this material is believed to be accurate as of the production date, it is subject to change.

Health benefits and health insurance plans contain exclusions and limitations. Not all health services are covered.

See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. You may be responsible for the health care provider's full charges for any non-covered services, including circumstances where you have exceeded a benefit limit contained in the plan. Providers are independent contractors and are not our agents. Provider participation may change without notice. We do not provide care or guarantee access to health services.

The following is a list of services and supplies that are generally *not covered*. However, your plan documents may contain exceptions to this list based on state mandates or the plan design or rider(s) purchased by your employer.

- All medical and hospital services not specifically covered in, or which are limited or excluded by your plan documents.
- Cosmetic surgery, including breast reduction.
- Custodial care.
- Dental care and dental X-rays.
- Donor egg retrieval.
- Durable medical Equipment
- Experimental and investigational procedures, except for coverage for medically necessary routine patient care costs for members participating in a cancer clinical trial.
- Hearing aids
- Home births
- Immunizations for travel or work, except where medically necessary or indicated.
- Implantable drugs and certain injectable drugs including injectable infertility drugs.
- Infertility services, including artificial insemination and advanced reproductive technologies such as IVF, ZIFT, GIFT, ICSI and other related services, unless specifically listed as covered in your plan documents.
- Long-term rehabilitation therapy.
- Non-medically necessary services or supplies.
- Orthotics except diabetic orthotics.
- Outpatient prescription drugs (except for treatment of diabetes), unless covered by a prescription plan rider and over-the-counter medications (except as provided in a hospital) and supplies.
- Radial keratotomy or related procedures.
- Reversal of sterilization.
- Services for the treatment of sexual dysfunction or inadequacies, including therapy, supplies or counseling or prescription drugs.
- Special duty nursing.
- Therapy or rehabilitation other than those listed as covered.
- Treatment of behavioral disorders.
- Weight control services including surgical procedures, medical treatments, weight control/loss programs, dietary regimens and supplements, appetite suppressants and other medications; food or food supplements, exercise programs, exercise or other equipment; and other services and supplies that are primarily intended to control weight or treat obesity, including Morbid Obesity, or for the purpose of weight reduction, regardless of the existence of comorbid conditions.

Aetna receives rebates from drug manufacturers that may be taken into account in determining Aetna's Preferred Drug List. Rebates do not reduce the amount a member pays the pharmacy for covered prescriptions. Aetna Rx Home Delivery refers to Aetna Rx Home Delivery, LLC, a licensed pharmacy subsidiary of Aetna Inc., that operates through mail order. The charges that Aetna negotiates with Aetna Rx Home Delivery may be higher than the cost they pay for the drugs and the cost of the mail order pharmacy services they provide. For these purposes, the pharmacy's cost of purchasing drugs takes into account discounts, credits and other amounts that they may receive from wholesalers, manufacturers, suppliers and distributors.

In case of emergency, call 911 or your local emergency hotline, or go directly to an emergency care facility.

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Puede estar disponible la traducción de este material en otro idioma. Por favor llame a Servicios al Miembro al **1-888-982-3862**.

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PLAN DESIGN

Customer Name: City Of Hays

Proposed Effective Date: 01-01-2016

Policy Period: 0

Data Source ID: D30837 - 1 - KS

Option: 1

Plan: Open POS Plus Plan

Location(s): Kansas

Specialty Networks Included: None Quoted

Organization Name: Aetna

Prepared: 10/02/2015 12:05 PM



**PLAN DESIGN & BENEFITS
PROVIDED BY AETNA LIFE INSURANCE COMPANY**

PLAN FEATURES	IN-NETWORK	OUT-OF-NETWORK
Deductible (per calendar year)	\$1,500 Individual \$3,000 Family	\$3,000 Individual \$6,000 Family
<p>All covered expenses accumulate separately toward the preferred or non-preferred Deductible. Unless otherwise indicated, the deductible must be met prior to benefits being payable. Member cost sharing for certain services, as indicated in the plan, are excluded from charges to meet the Deductible. Pharmacy expenses do not apply towards the Deductible. The family Deductible is a cumulative Deductible for all family members. The family Deductible can be met by a combination of family members; however no single individual within the family will be subject to more than the individual Deductible amount.</p>		
Member Coinsurance	50%	50%
Applies to all expenses unless otherwise stated.		
Payment Limit (per calendar year)	\$2,500 Individual \$5,000 Family	\$5,000 Individual \$10,000 Family
<p>All covered expenses accumulate separately toward the preferred or non-preferred Payment Limit. Certain member cost sharing elements may not apply toward the Payment Limit. Pharmacy expenses apply towards the Payment Limit. Only those out-of-pocket expenses resulting from the application of coinsurance percentage, copays, and deductibles (except any penalty amounts) may be used to satisfy the Payment Limit. The family Payment Limit is a cumulative Payment Limit for all family members. The family Payment Limit can be met by a combination of family members; however no single individual within the family will be subject to more than the individual Payment Limit amount.</p>		
Lifetime Maximum	Unlimited except where otherwise indicated.	
Payment for Non-Preferred	Not Applicable	Professional: Prevailing Charges Facility: 100% of Medicare
Primary Care Physician Selection	Optional	Not Applicable
Certification Requirements -	Certification for certain types of Non-Preferred care must be obtained to avoid a reduction in benefits paid for that care. Certification for Hospital Admissions, Treatment Facility Admissions, Convalescent Facility Admissions, Home Health Care, Hospice Care and Private Duty Nursing is required - excluded amount applied separately to each type of expense is \$400 per occurrence.	
Referral Requirement	None	None
PREVENTIVE CARE	IN-NETWORK	OUT-OF-NETWORK
Routine Adult Physical Exams/ Immunizations	Covered 100%; deductible waived	50%; after deductible
1 exam every 12 months for members age 22 to age 65; 1 exam every 12 months for adults age 65 and older.		
Routine Well Child Exams/Immunizations	Covered 100%; deductible waived	50%; after deductible
7 exams in the first 12 months of life, 3 exams in the second 12 months of life, 3 exams in the third 12 months of life, 1 exam per year thereafter to age 22.		
Routine Gynecological Care Exams	Covered 100%; deductible waived	50%; after deductible
Recommended: One exam per calendar year. Includes routine tests and related lab fees.		
Routine Mammograms	Covered 100%; deductible waived	50%; after deductible
Women's Health	Covered 100%; deductible waived	50%; after deductible
Includes: Screening for gestational diabetes, HPV (Human- Papillomavirus) DNA testing, counseling for sexually transmitted infections, counseling and screening for human immunodeficiency virus, screening and counseling for interpersonal and domestic violence, breastfeeding support, supplies and counseling. Contraceptive methods, sterilization procedures, patient education and counseling. Limitations may apply.		



**PLAN DESIGN & BENEFITS
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Routine Digital Rectal Exam Recommended: For covered males age 40 and over.	Covered 100%; deductible waived	50%; after deductible
Prostate-specific Antigen Test Recommended: For covered males age 40 and over.	Covered 100%; deductible waived	50%; after deductible
Colorectal Cancer Screening Recommended: For all members age 50 and over.	Covered 100%; deductible waived	50%; after deductible
Routine Eye Exams 1 routine exam per 24 months.	Covered 100%; deductible waived	50%; after deductible
Routine Hearing Screening	Covered 100%; deductible waived	50%; after deductible
PHYSICIAN SERVICES	IN-NETWORK	OUT-OF-NETWORK
Office Visits to PCP Includes services of an internist, general physician, family practitioner or pediatrician.	\$25 copay; deductible waived	50%; after deductible
Specialist Office Visits	\$50 copay; deductible waived	50%; after deductible
Audiometric Hearing Exam	Not Covered	Not Covered
Pre-Natal Maternity	Covered 100%; deductible waived	Covered according to standard claim practice.
Walk-in Clinics Walk-in Clinics are network, free-standing health care facilities. They are an alternative to a physician's office visit for treatment of unscheduled, non-emergency illnesses and injuries and the administration of certain immunizations. It is not an alternative for emergency room services or the ongoing care provided by a physician. Neither an emergency room, nor the outpatient department of a hospital, shall be considered a Walk-in Clinic.	\$25 copay; deductible waived	50%; after deductible
Allergy Testing	Member cost sharing is based on the type of service performed and the place of service where it is rendered	Member cost sharing is based on the type of service performed and the place of service where it is rendered
Allergy Injections	Member cost sharing is based on the type of service performed and the place of service where it is rendered	Member cost sharing is based on the type of service performed and the place of service where it is rendered
DIAGNOSTIC PROCEDURES	IN-NETWORK	OUT-OF-NETWORK
Diagnostic X-ray If performed as a part of a physician office visit and billed by the physician, expenses are covered subject to the applicable physician's office visit member cost sharing.	50%; after deductible	50%; after deductible
Diagnostic Laboratory If performed as a part of a physician office visit and billed by the physician, expenses are covered subject to the applicable physician's office visit member cost sharing.	Covered 100%; deductible waived	50%; after deductible
Diagnostic Outpatient Complex Imaging	50%; deductible waived	50%; after deductible
EMERGENCY MEDICAL CARE	IN-NETWORK	OUT-OF-NETWORK
Urgent Care Provider	\$50 copay; deductible waived	50%; after deductible
Non-Urgent Use of Urgent Care Provider	Not Covered	Not Covered
Emergency Room Copay waived if admitted	50% after \$200 copay; after deductible	Same as in-network care
Non-Emergency Care in an Emergency Room	Not Covered	Not Covered
Emergency Use of Ambulance	50%; after deductible	Same as in-network care
Non-Emergency Use of Ambulance	Not Covered	Not Covered
HOSPITAL CARE	IN-NETWORK	OUT-OF-NETWORK
Inpatient Coverage The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	50%; after deductible	50%; after deductible



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Inpatient Maternity Coverage (includes delivery and postpartum care) The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	50%; after deductible	50%; after deductible
Outpatient Hospital Expenses The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	50%; after deductible	50%; after deductible
Outpatient Surgery The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	50%; after deductible	50%; after deductible
Outpatient Surgery - Freestanding Facility The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	50%; after deductible	50%; after deductible
MENTAL HEALTH SERVICES	IN-NETWORK	OUT-OF-NETWORK
Inpatient The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	50%; after deductible	50%; after deductible
Outpatient The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	\$50 copay; deductible waived	50%; after deductible
ALCOHOL/DRUG ABUSE SERVICES	IN-NETWORK	OUT-OF-NETWORK
Inpatient Member cost sharing is based on the type of service performed and the place of service where it is rendered	50%; after deductible	50%; after deductible
Residential Treatment Facility Outpatient The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	50%; after deductible \$50 copay; deductible waived	50%; after deductible 50%; after deductible
OTHER SERVICES	IN-NETWORK	OUT-OF-NETWORK
Convalescent Facility Limited to 60 days per calendar year. The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	50%; after deductible	50%; after deductible
Home Health Care Hospice Care - Inpatient The member cost sharing applies to all covered benefits incurred during a member's inpatient stay.	\$50 copay; deductible waived 50%; after deductible	50%; after deductible 50%; after deductible
Hospice Care - Outpatient The member cost sharing applies to all covered benefits incurred during a member's outpatient visit.	\$50 copay; deductible waived	50%; after deductible
Outpatient Short-Term Rehabilitation Includes Speech, Physical, and Occupational Therapy, limited to 40 visits per calendar year.	\$50 copay; deductible waived	50%; after deductible
Autism Behavioral Therapy Covered same as any other Outpatient Mental Health benefit	\$50 copay; deductible waived	50%; after deductible
Autism Applied Behavior Analysis Covered same as any other Outpatient Mental Health benefit	\$50 copay; deductible waived	50%; after deductible
Autism Physical Therapy To age 12, unlimited visits	\$50 copay; deductible waived	50%; after deductible
Autism Occupational Therapy To age 12, unlimited visits	\$50 copay; deductible waived	50%; after deductible
Autism Speech Therapy To age 12, unlimited visits	\$50 copay; deductible waived	50%; after deductible



**PLAN DESIGN & BENEFITS
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Spinal Manipulation Therapy	\$50 copay; deductible waived	50%; after deductible
Durable Medical Equipment	50%; after deductible	50%; after deductible
Diabetic Supplies -- (if not covered under Pharmacy benefit)	Covered same as any other medical expense.	Covered same as any other medical expense.
Contraceptive drugs and devices not obtainable at a pharmacy	Covered 100%; deductible waived	Covered same as any other expense.
Generic FDA-approved Women's Contraceptives	Covered 100%; deductible waived	50%; after deductible
Infusion Therapy Administered in the home or physician's office	\$25 copay; deductible waived	50%; after deductible
Infusion Therapy Administered in an outpatient hospital department or freestanding facility	50%; after deductible	50%; after deductible
Transplants	50%; after deductible Preferred coverage is provided at an IOE contracted facility only.	50%; after deductible Non-Preferred coverage is provided at a Non-IOE facility.
Bariatric Surgery	Not Covered	Not Covered
Out of Area Dependents	Coverage provided at the non-preferred benefit level of the plan.	
FAMILY PLANNING	IN-NETWORK	OUT-OF-NETWORK
Infertility Treatment	Member cost sharing is based on the type of service performed and the place of service where it is rendered	Member cost sharing is based on the type of service performed and the place of service where it is rendered
Diagnosis and treatment of the underlying medical condition.		
Comprehensive Infertility Services	Not Covered	Not Covered
Coverage includes Artificial Insemination (limited to six courses of treatment per member's lifetime) and Ovulation Induction (limited to six courses of treatment per member's lifetime). Lifetime maximum applies to all procedures covered by any of our plans except where prohibited by law.		
Advanced Reproductive Technology (ART)	Not Covered	Not Covered
ART coverage includes: In vitro fertilization (IVF), zygote intrafallopian transfer (ZIFT), gamete intrafallopian transfer (GIFT), cryopreserved embryo transfers, intracytoplasmic sperm injection (ICSI) or ovum microsurgery.		
Vasectomy	Member cost sharing is based on the type of service performed and the place of service where it is rendered	Member cost sharing is based on the type of service performed and the place of service where it is rendered
Tubal Ligation	Covered 100%; deductible waived	Member cost sharing is based on the type of service performed and the place of service where it is rendered
Voluntary Abortion	Not Covered	Not Covered
PHARMACY	IN-NETWORK	OUT-OF-NETWORK
Pharmacy Plan Type	Aetna Premier Open Formulary	
Value Drugs/Tier 1A - Retail (2.5 times retail copay for 31-90 day supply at participating pharmacies. Percentage copays will not be doubled)	\$3 copay for up to a 30 day supply at participating pharmacies	50% of submitted cost; after applicable copay
Value Drugs/Tier 1A - Mail Order	\$7.5 copay for up to a 31-90 day supply from Aetna Rx Home Delivery®.	Not Applicable



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Retail (2.5 times retail copay for 31-90 day supply at participating pharmacies. Percentage copays will not be doubled)	\$12 copay for generic drugs, \$40 copay for formulary brand-name drugs, and \$65 copay for non-formulary brand-name drugs up to a 30 day supply at participating pharmacies.	50% of submitted cost; after applicable copay
Mail Order	\$30 copay for generic drugs, \$100 copay for formulary brand-name drugs, and \$162.5 copay for non-formulary brand-name drugs. Up to a 31-90 day supply from Aetna Rx Home Delivery [®] .	Not Applicable
Aetna Premier Specialty Drugs	20% for formulary and non-formulary drugs Maximum copay of \$150 for formulary drugs and \$250 for non-formulary drugs Premier Specialty Drug List All prescription fills must be through our preferred Aetna Specialty Pharmacy network.	Not Applicable

Plan Includes: Diabetic supplies and Contraceptive drugs and devices obtainable from a pharmacy. A limited list of over-the-counter medications are covered when filled with a prescription. Oral fertility drugs included. Premier Pre-certification included. Premier Step Therapy included. One transition fill allowed within 90 days of member's effective date. Formulary Generic FDA-approved Women's Contraceptives and certain over-the-counter preventive medications covered 100% in network.

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Dependents Eligibility Spouse, children from birth to age 26 regardless of student status.

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- Immunizations for travel or work, except where medically necessary or indicated.
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- Infertility services, including artificial insemination and advanced reproductive technologies such as IVF, ZIFT, GIFT, ICSI and other related services, unless specifically listed as covered in your plan documents.
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- Non-medically necessary services or supplies.
- Orthotics except diabetic orthotics.
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- Radial keratotomy or related procedures.
- Reversal of sterilization.
- Services for the treatment of sexual dysfunction or inadequacies, including therapy, supplies or counseling or prescription drugs.
- Special duty nursing.
- Therapy or rehabilitation other than those listed as covered.
- Treatment of behavioral disorders.
- Weight control services including surgical procedures, medical treatments, weight control/loss programs, dietary regimens and supplements, appetite suppressants and other medications; food or food supplements, exercise programs, exercise or other equipment; and other services and supplies that are primarily intended to control weight or treat obesity, including Morbid Obesity, or for the purpose of weight reduction, regardless of the existence of comorbid conditions.

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In case of emergency, call 911 or your local emergency hotline, or go directly to an emergency care facility.



City Of Hays
Proposed Effective Date: 01-01-2016
Open Access[®] Managed Choice[®] POS - Kansas

**PLAN DESIGN & BENEFITS
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Commission Work Session Agenda

Memo

From: Jesse Rohr, PIE Superintendent

Work Session: November 5, 2015

Subject: Vacate of a Portion of a Drainage Dedication in the Golden Belt Estates 3rd Add.

Person(s) Responsible: Greg Sund, Director of Public Works

Summary

A request has been made by the owner of Lot 1, Block 1 of the 46th Street 2nd Addition (4500 Van Buren Dr.) to vacate a portion of the drainage dedication that abuts said lot and lies within the Golden Belt Estates 3rd Addition. The area being requested to be vacated, while being a part of the actual drainage dedication, is not part of the actual drainage area. City staff can see no cons in vacating this portion of drainage dedication. Staff has determined that the area of drainage dedication being requested to be vacated will have no impact on the remaining drainage dedication or the ability to maintain the remainder of the drainage area. Assuming no protests at the public hearing, staff recommends approval of the ordinance vacating a portion of the drainage dedication at a cost of \$500 to cover administrative expenses.

Background

The Golden Belt Estates 3rd Addition was platted in 2007. Within this plat, there is a drainage dedication identified along the western edge of the development. This is a city maintained drainage area.

Discussion

A request has been made by the owner of Lot 1, Block 1 of the 46th Street 2nd Addition (4500 Van Buren Dr.) to vacate a portion of the drainage dedication that abuts said lot. The area being requested to be vacated, while being a part of the actual drainage dedication, is not part of the actual drainage area. The area proposed to be vacated is of no use to the City, however must be maintained by the City. The City of Hays Parks Department mows the entire drainage area, including the area being requested to be vacated. The Parks Department staff has no issue with this vacate request and has actually endorsed the request to further reduce areas to be maintained, even though the area is quite small.

There are no utilities within this area that is being vacated. City staff can see no cons in vacating this portion of drainage dedication.

Attached is a plat drawing showing the location of the drainage area to be vacated.

Legal Consideration

There are no known legal obstacles to proceeding as proposed by staff.

Financial Consideration

There are no known financial considerations for this request. The lot owner requesting the vacate will pay for any necessary recording of documents if the vacate is approved.

Options

Options include the following:

- Conduct a Public Hearing and approve the ordinance vacating the drainage dedication
- Do not approve the ordinance

If the option is to approve the vacate, further options for consideration include:

- Require the petitioner to pay all fees associated with the vacate, estimated at or less than \$500
- Require the petitioner to pay a sum amount for the property, to be determined by the Commission
- Require no fees to be paid by the petitioner

Recommendation

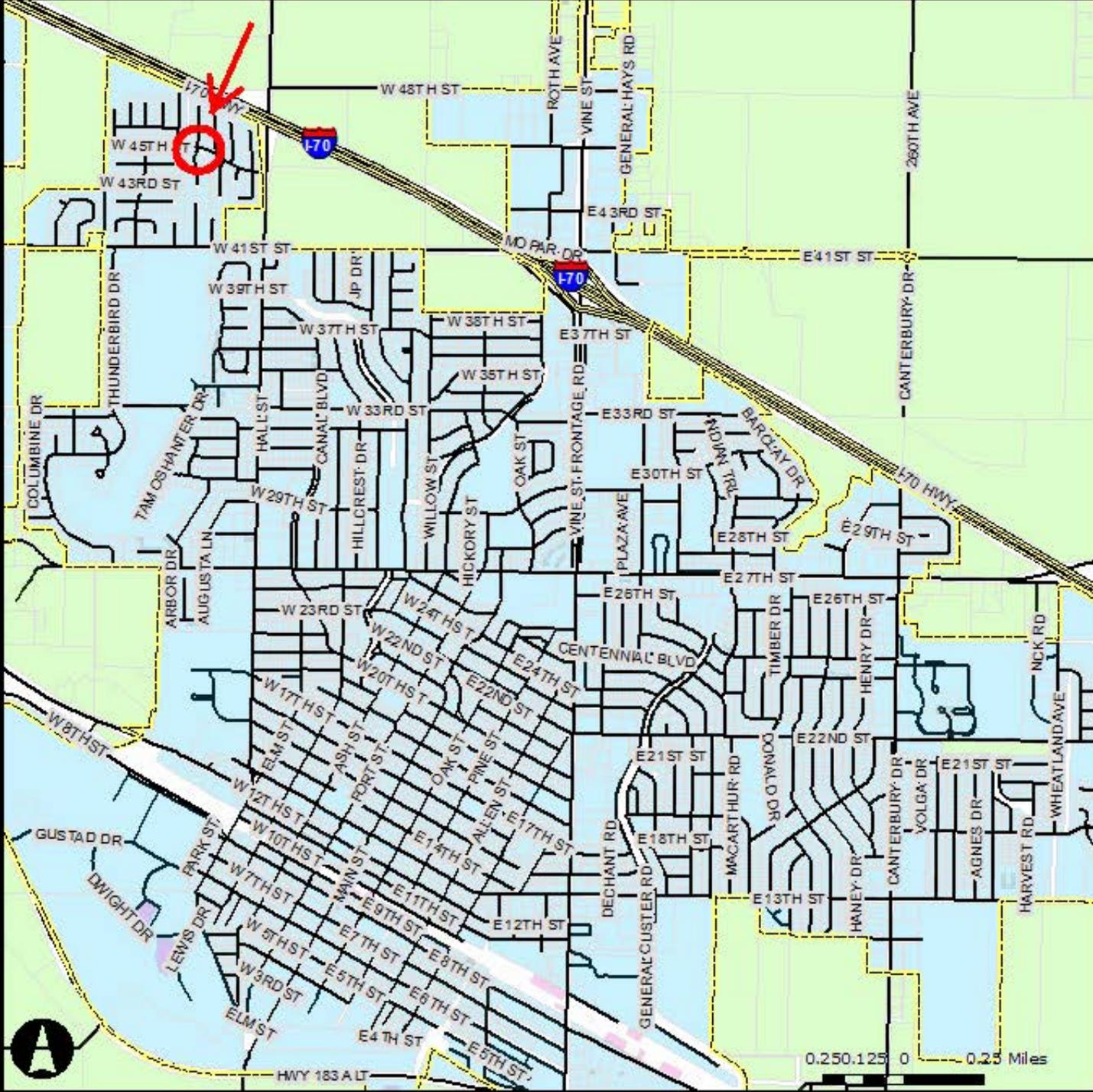
All those involved have determined that the area of drainage dedication being requested to be vacated will have no impact on the remaining drainage dedication or the ability to maintain the remainder of the drainage area. Assuming no protests at the public hearing, staff recommends approval of the ordinance vacating the petitioned portion of the drainage dedication at a cost of \$500 to cover administrative expenses.

Action Requested

Approve the ordinance authorizing the vacate of the portion of the drainage dedication within the Golden Belt 3rd Addition as further described in the accompanying survey.

Supporting Documentation

Map(s)/Survey
Petition Signed by Owner
Publication Notice
Ordinance









Stormwater
Drainage Area

Motorized Vehicle
Access Prohibited
Ord. No. 53-135



Stormwater
Drainage Area

Motorized Vehicle
Access Prohibited
Ord. No. 59-135

CERTIFICATE OF SURVEY

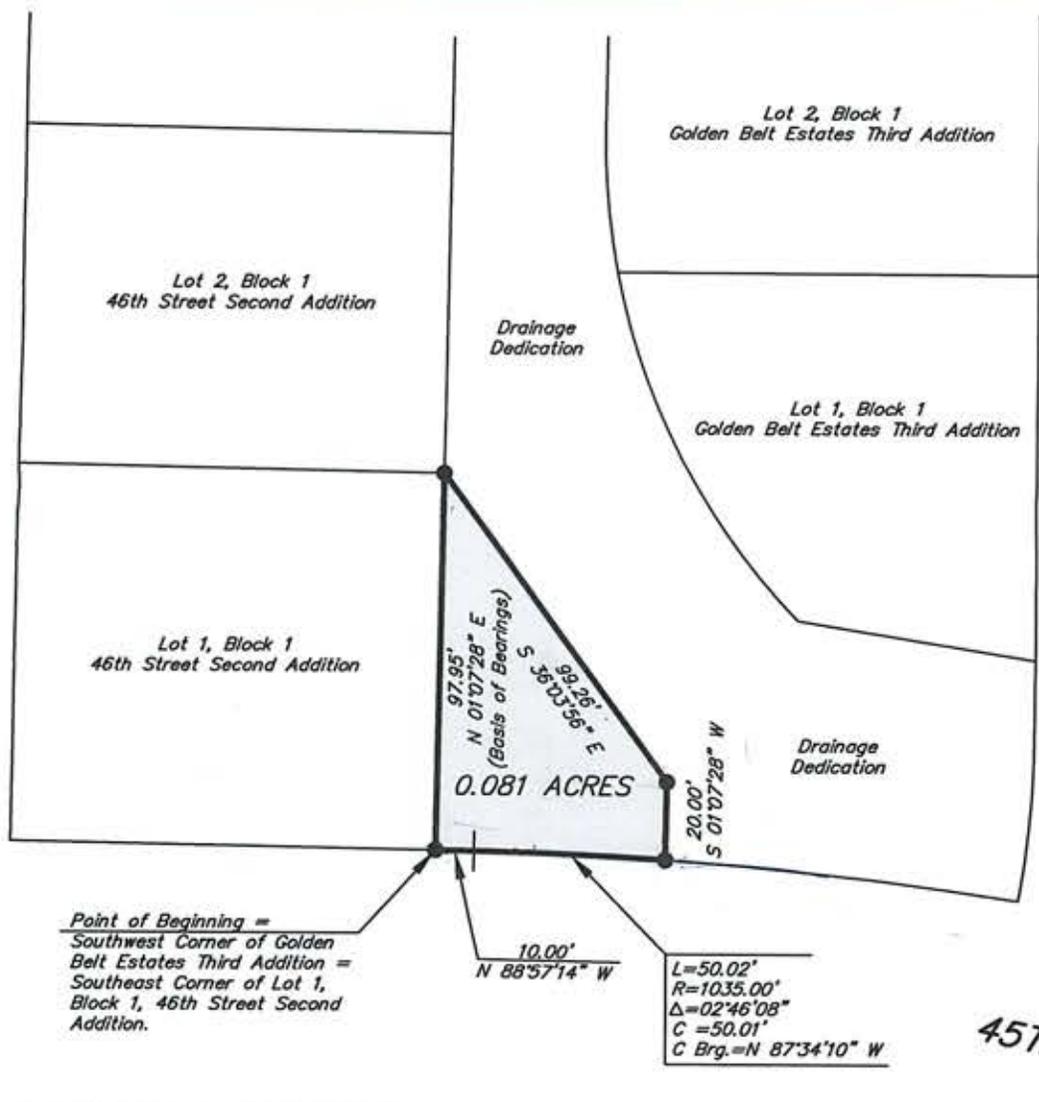
N



SCALE:
1"=50'

VAN BUREN DRIVE

VISTA DRIVE



Point of Beginning =
 Southwest Corner of Golden
 Belt Estates Third Addition =
 Southeast Corner of Lot 1,
 Block 1, 46th Street Second
 Addition.

10.00'
 N 88°57'14" W

L=50.02'
 R=1035.00'
 Δ =02°46'08"
 C =50.01'
 C Brg.=N 87°34'10" W

45TH STREET

DESCRIPTION

That part of the Drainage Dedication of the Golden Belt Estates Third Addition to the City of Hays, Kansas, located in the Southeast Quarter of Section 20, Township 13 South, Range 20 West, of the 6th Principal Meridian, Ellis County, Kansas, described as follows:

Beginning at the southwest corner of said Golden Belt Estates Third Addition, said point also being the southeast corner of Lot 1, Block 1, of 46th Street Second Addition to the City of Hays, Kansas; thence on an assumed bearing of North 01 degrees 07 minutes 28 seconds East, along the west line of said Golden Belt Estates Third Addition, a distance of 97.95 feet, said point being the northeast corner of said Lot 1; thence South 36 degrees 03 minutes 56 seconds East a distance of 99.26 feet; thence South 01 degrees 07 minutes 28 seconds West, parallel with the west line of said Golden Belt Estates Third Addition, a distance of 20.00 feet to a point on the north right of way line of 45th Street; thence along the 45th Street north right of way line, on a curve to the left, an arc distance of 50.02 feet, said curve having a radius of 1,035.00 feet, a central angle of 02 degrees 46 minutes 08 seconds, a chord length of 50.01 feet and a chord bearing of North 87 degrees 34 minutes 10 seconds West; thence continuing along the 45th Street north right of way line, North 88 degrees 57 minutes 14 seconds West a distance of 10.00 feet to the point of beginning.

This tract contains 0.081 acres.

LEGEND

- Set 1/2" bar and cap stamped "RUDER RLS-918"

CERTIFICATION:

I, Harvey Ruder, do hereby certify that I am a Registered Land Surveyor, that the property described hereon was surveyed by me, and that all of the monuments, as shown, actually exist, and their positions are correct to the best of my knowledge and belief.

Harvey Ruder
 Sept. 2, 2015



**RUDER ENGINEERING
 & SURVEYING, LLC**

1376 Butterfield Trail Rd.
 Hays, Kansas 67601
 785-628-8134

Published in the Hays Daily News one time on Friday, October 9, 2015

NOTICE TO VACATE A PORTION OF DRAINAGE DEDICATION

THAT DIRECTLY ABUTS LOT 1, BLOCK 1, 46TH STREET SECOND ADDITION TO THE CITY OF HAYS, ALSO KNOWN AS 4500 VAN BUREN DR., CITY OF HAYS, KANSAS

STATE OF KANSAS,
COUNTY OF ELLIS, SS:

TO WHOM IT MAY CONCERN: TAKE NOTICE that a legal petition signed by Kelly Koenke has been presented to the Governing Body of the City of Hays, Kansas, praying for the vacation of a portion of a drainage dedication further described as follows:

That part of the Drainage Dedication of the Golden Belt Estates Third Addition to the City of Hays, Kansas, located in the Southeast Quarter of Section 20, Township 13 South, Range 20 West, of the 6th Principal Meridian, Ellis County, Kansas, described as follows:

Beginning at the southwest corner of said Golden Belt Estates Third Addition, said point also being the southeast corner of Lot 1, Block 1, of 46th Street Second Addition to the City of Hays, Kansas; thence on an assumed bearing of North 01 degrees 07 minutes 28 seconds East, along the west line of said Golden Belt Estates Third Addition, a distance of 97.95 feet, said point being the northeast corner of said Lot 1; thence South 36 degrees 03 minutes 56 seconds East a distance of 99.26 feet; thence South 01 degrees 07 minutes 28 seconds West, parallel with the west line of said Golden Belt Estates Third Addition, a distance of 20.00 feet to a point on the north right of way line of 45th Street; thence along the 45th Street north right of way line, on a curve to the left, an arc distance of 50.02 feet, said curve having a radius of 1,035.00 feet, a central angle of 02 degrees 46 minutes 08 seconds, a chord length of 50.01 feet and a chord bearing of North 87 degrees 34 minutes 10 seconds West; thence continuing along the 45th Street north right of way line, North 88 degrees 57 minutes 14 seconds West a distance of 10.00 feet to the point of beginning, said tract containing 0.081 acres. (Per Exhibit A)

This notice is given pursuant to K.S.A. 12-504. Further take notice that a Public Hearing regarding the vacate of the drainage dedication will be held in the Commission Room at City Hall, 1507 Main Street, Hays, Kansas, on the 12th day of November, 2015 and all persons interested may attend said hearing.

Witness my hand and the official seal of said City, this 9th day of October, 2015.

Brenda Kitchen, City Clerk

ORDINANCE NO. _____

**AN ORDINANCE VACATING A PORTION OF A DRAINAGE
DEDICATION LOCATED IN THE GOLDEN BELT ESTATES 3RD
ADDITION TO THE CITY OF HAYS, KANSAS.**

WHEREAS, the Governing Body of the City of Hays, Kansas, finds it necessary and expedient that a portion of a drainage dedication located in the Golden Belt Estates 3rd Addition to the City of Hays (as shown in **Exhibit A**), described as follows, to wit:

That part of the Drainage Dedication of the Golden Belt Estates Third Addition to the City of Hays, Kansas, located in the Southeast Quarter of Section 20, Township 13 South, Range 20 West, of the 6th Principal Meridian, Ellis County, Kansas, described as follows:

Beginning at the southwest corner of said Golden Belt Estates Third Addition, said point also being the southeast corner of Lot 1, Block 1, of 46th Street Second Addition to the City of Hays, Kansas; thence on an assumed bearing of North 01 degrees 07 minutes 28 seconds East, along the west line of said Golden Belt Estates Third Addition, a distance of 97.95 feet, said point being the northeast corner of said Lot 1; thence South 36 degrees 03 minutes 56 seconds East a distance of 99.26 feet; thence South 01 degrees 07 minutes 28 seconds West, parallel with the west line of said Golden Belt Estates Third Addition, a distance of 20.00 feet to a point on the north right of way line of 45th Street; thence along the 45th Street north right of way line, on a curve to the left, an arc distance of 50.02 feet, said curve having a radius of 1,035.00 feet, a central angle of 02 degrees 46 minutes 08 seconds, a chord length of 50.01 feet and a chord bearing of North 87 degrees 34 minutes 10 seconds West; thence continuing along the 45th Street north right of way line, North 88 degrees 57 minutes 14 seconds West a distance of 10.00 feet to the point of beginning, said tract containing 0.081 acres. (Per Exhibit A)

be vacated;

WHEREAS, K.S.A. 12-504, authorizes the vacation of lands by the City Governing Body under certain conditions, which have now been met;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS:

Section 1. That a portion of the utility easement located in the Golden Belt Estates 3rd Addition to the City of Hays, described as follows, to-wit:

That part of the Drainage Dedication of the Golden Belt Estates Third Addition to the City of Hays, Kansas, located in the Southeast Quarter of Section 20, Township 13 South, Range 20 West, of the 6th Principal Meridian, Ellis County, Kansas, described as follows:

Beginning at the southwest corner of said Golden Belt Estates Third Addition, said point also being the southeast corner of Lot 1, Block 1, of 46th Street Second Addition to the City of Hays, Kansas; thence on an assumed bearing of North 01 degrees 07 minutes 28 seconds East, along the west line of said Golden Belt Estates Third Addition, a distance of 97.95 feet, said point being the northeast corner of said Lot 1; thence South 36 degrees 03 minutes 56 seconds East a distance of 99.26 feet; thence South 01 degrees 07 minutes 28 seconds West, parallel with the west line of said Golden Belt Estates Third Addition, a distance of 20.00 feet to a point on the north right of way line of 45th Street; thence along the 45th Street north right of way line, on a curve to the left, an arc distance of 50.02 feet, said curve having a radius of 1,035.00 feet, a central angle of 02 degrees 46 minutes 08 seconds, a chord length of 50.01 feet and a chord bearing of North 87 degrees 34 minutes 10 seconds West; thence continuing along the 45th Street north right of way line, North 88 degrees 57 minutes 14 seconds West a distance of 10.00 feet to the point of beginning, said tract containing 0.081 acres;

be and the same is hereby vacated.

Section 2. This ordinance shall be effective upon publication in The Hays Daily News, the official city newspaper.

PASSED AND ADOPTED this 12th day of November, 2015.

Eber Phelps
Mayor

ATTEST:

Brenda Kitchen
City Clerk

Commission Work Session Agenda

Memo

From: John Braun, Assistant Director of Public Works

Work Session: November 5, 2015

Subject: 2016 Street Maintenance Program

Person(s) Toby Dougherty, City Manager

Responsible: Greg Sund, Director of Public Works

Summary

Staff is presenting a plan for street maintenance in 2016. The 2016 Special Highway Budget, combined with funds from City Commission Capital Reserve identified in the 2016 Capital Improvement Plan (CIP), provides approximately \$2.5 million for street maintenance and rehabilitation projects. The plan presented by staff includes chip seal, seal coat, polypatch, curb and brick repair, concrete patching, diamond grinding, micro-surfacing, asphalt overlay, sidewalk improvements, and updating the pavement condition assessment. Upon direction, staff will solicit bids for work to be contracted out, and bring bids back to the City Commission for final approval after the first of the year.

Background

Each year staff evaluates the condition of city streets and develops a maintenance program that is brought forward for Commission consideration. Staff utilizes the most recent street condition data, traffic counts, and available budget in developing the program. The Street Maintenance Program has been funded primarily with Special Highway Funds. The last few years, the City Commission has utilized Financial Policy Project money to increase the amount spent on maintenance projects. Such is the case for FY 2016.

In 2015, contracts totaling \$459,178 were completed; \$100,000 of work was done in-house, and \$20,000 set aside for Sidewalk Rebate projects for a total of approx. \$580,000.

Staff will make a presentation at the November 5, 2015 work session showing the work that was completed in 2015 along with the program proposed for 2016.

Discussion

Based on the data from the 2011 Automated Pavement Condition Survey, visual inspection, available funding, and institutional knowledge, staff has developed a street

maintenance program for 2016. **Exhibit A** shows the streets recommended for various maintenance activities in 2016. The funding level for this project is based on the Special Highway Funds and Capital Reserve funds budgeted for 2016. Attempting to follow the recommendation of the 2011 Pavement Assessment, by keeping streets from falling into a more expensive repair category, the proposed projects include:

1. Asphalt Chip Seal	\$250,000
2. Asphalt Seal Coat	\$ 70,000
3. Poly-Patch (prep work for Chip Seal)	\$ 50,000
4. Curb and Brick Repair	\$100,000
5. Concrete Diamond Grinding	\$100,000
6. Micro-Surfacing (6 th & 7 th – Riley to Vine)	\$ 45,000
7. Concrete Pavement Rehab (patch & micro)	\$450,000
8. Asphalt Overlay (Hall, 27 th , & Haney)	\$1,360,000
9. Pavement Condition Assessment	\$ 50,000
10. Sidewalk (rebate + select areas)	\$ 40,000
11. In-house work (crack seal & pavement repairs)	<u>\$ 42,237</u>
TOTAL	\$2,557,237

1. Chip Seal has proven to be a very cost effective treatment for keeping asphalt streets in good shape. Therefore, \$250,000 of chip seal is included in this year’s project. In 2015 much of the chip seal was west of Vine, in 2016, chip seal will be applied to areas east of Vine Street.
2. Seal Coat is used on newer asphalt streets that do not yet warrant a chip seal. The cost is less than chip seal and helps a new street to stay in good shape for a longer period of time delaying more costly maintenance treatments. \$70,000 is allocated with much of that being 13th Street from Vine to the east city limit. Pavement Markings are preserved and do not need to be reapplied.
3. Poly-Patch is necessary to fill larger cracks and depressions and prepare the streets for Chip Seal. \$50,000 is allocated for Polypatch.
4. Curb and brick repair typically is performed in the downtown brick street area of town. This year’s project concentrates on the area of 12th Street between Oak and Allen Street and amounts to \$100,000. This stretch of 12th Street experienced a lot more traffic during the last year due to the 13th Street Reconstruction Project. The base beneath the brick has failed in many places; therefore the entire width of the street will be reconstructed rather than just patching the bad spots. Several areas of failed curb will be replaced as well.
5. Diamond Grinding will be used to remove bumps on concrete streets where the joints have faulted or the concrete panels have curled. In the past grinding was done on Commerce Parkway near I-70. In 2016, staff proposes grinding 27th Street from Vine to Sherman and Canterbury from 12th to 13th Street. Estimated cost is \$100,000.
6. Micro-Surfacing is a quick setting, hard asphalt slurry that restores the driving surface. \$45,000 is allocated for Micro-surfacing 6th and 7th Streets from Riley to Vine. City Staff

had previously discussed mill and overlay of 7th Street; however, further investigation has shown that mill and overlay would not be cost effective. Micro-surfacing will provide a low cost surface treatment which should delay the inevitable reconstruction for at approximately 10 years. Micro-surfacing is also being planned for many sections of concrete streets that have a solid base, but have surface spalls and pitting as part of the Concrete Rehab treatment explained next.

7. Concrete Pavement Rehab would consist of full panel replacement of sections of concrete streets that have deteriorated to the point where replacement is necessary, and the application of asphalt micro-surfacing to areas with surface pitting and spalls. \$450,000 is allocated for concrete Rehabilitation.

8. Asphalt Edge Mill and Overlay is planned for several locations:

- Hall Street from 27th Street to 41st Street. This mile of Hall Street would be restriped with a lane reduction (road diet) similar to what was done on 13th Street two years ago. The reduction from four to three lanes would allow for bicycle lanes to be installed on both sides.
- 27th Street from Englewood Drive to Hall Street is planned for a lane reduction as well. This new configuration would line up better with the 3 lane configuration on 27th Street east of Hall Street.
- 27th Street from Sherman Avenue to Canterbury Drive is planned for mill and overlay as well; however, this section would be retained as a 4-lane roadway.
- Haney from 13th to 22nd is planned for mill and overlay since this stretch of road has gone past the point where chip seal is no longer effective.

9. A new Pavement Condition Assessment is being planned since it will be 5 years since the last assessment. A new assessment, when compared to the last assessment will provide an indicator for how well past funding and maintenance treatments have done in improving the overall pavement condition in the City. It will also help prioritize and provide the basis for future street maintenance programs. \$50,000 has been identified for the new assessment.

10. The Sidewalk Rebate Program is offered each year to provide financial assistance to residential property owners whose sidewalks have deteriorated or fail to meet current ADA requirements. The last few years, \$20,000 has been set aside; however, only about \$10,000 worth of applications are submitted and subsequently rebated. In 2016, staff proposes to allocate an additional \$20,000 to allow for construction of sidewalk improvements along Canterbury Drive south of 13th Street to the Hays Rec Center and along the west side of Vine Street in the 2300 block where no sidewalk currently exists.

11. Finally, just over \$42,000 remains for the purchase of crack seal material, asphalt and concrete for City Crews to perform in-house street maintenance.

Legal Consideration

Assuming compliance with the 1977 Brick Streets Policy, as amended, there are no known legal obstacles to proceeding as recommended by City Staff.

Financial Consideration

Historically street maintenance has been financed through the Special Highway Fund, which receives revenue from the State, mainly from fuel tax reimbursements and Connecting Link Maintenance in the amount of approximately \$580,000 per year, plus transfers from the City Commission Financial Policy Projects.

The 2016 Budget includes \$1,122,237 in the Special Highway-Budgeted Projects line item, and \$50,000 in contingency. \$500,000 of that is a transfer from the General Fund. An additional \$1,435,000 was identified in the CIP to be funded out of Capital Reserve for the Mill and Overlay of portions of Hall Street, 27th Street and 7th Street. Leaving \$50,000 in contingency for overages or unforeseen expenses, the funding available for the 2016 Program is \$2,557,237.

Available Funds in 2016

Special Highway	
- State Gas Tax Refund and Connecting Link	\$ 589,920
- Transfer from General Fund	\$ 500,000
- Cash Carryover	\$ 82,317
- Contingency (keep for unforeseen expenses)	\$ -(50,000)
<u>Capital Reserve</u>	<u>\$1,435,000</u>
Total Available	\$2,557,237

Options

The Commission has the following options:

Option 1: Accept the Street Maintenance Program for 2016 as presented and authorize staff to solicit bids for the proposed work to be accomplished in the 2016 construction season.

Option 2: Provide alternate direction to staff.

Recommendation

City staff recommends Options 1.

Action Requested

Accept the Street Maintenance Program for 2016 as presented and authorize staff to solicit bids for the proposed work to be accomplished in the 2016 construction season. No need to go to Regular Meeting.

Supporting Documentation

Exhibit A – 2016 Street Maintenance Location Map

2016 Street Maint

Chip Seal

Seal Coat

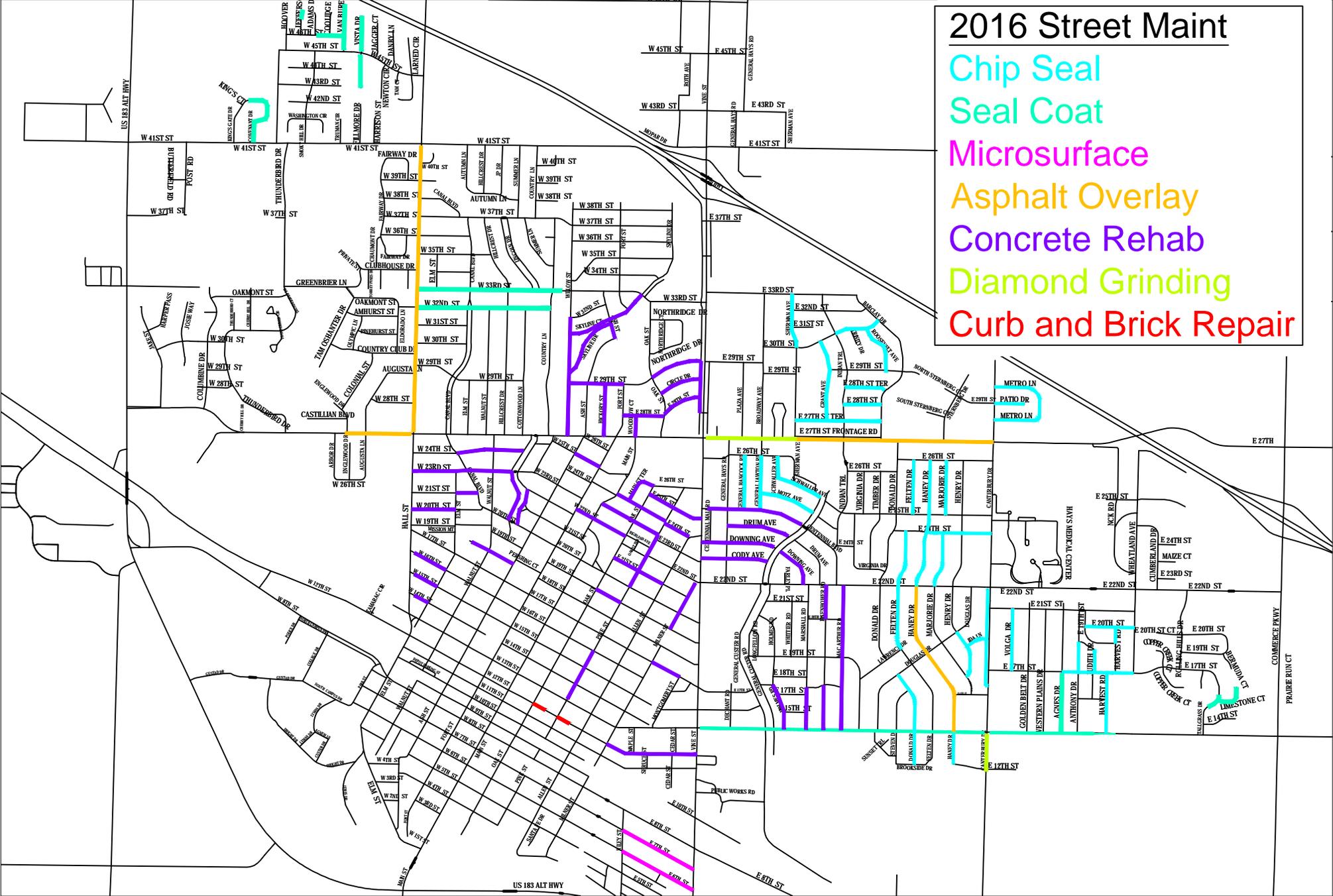
Microsurface

Asphalt Overlay

Concrete Rehab

Diamond Grinding

Curb and Brick Repair



Commission Work Session Agenda

Memo

From: Kim Rupp, Director of Finance

Work Session: November 5, 2015

Subject: Request for Proposal for Auditing Services

Person(s) Responsible: Kim Rupp, Director of Finance

Summary

The City of Hays Comprehensive Financial Management Policy requires that the City select a firm for auditing services through the Request for Proposal (RFP) process every five years. Five RFP's were solicited with one of those five responding. The incumbent, Adams Brown Beran & Ball submitted a responsive and responsible bid. It is the recommendation of staff that the City Commission accept the bid from Adams Brown Beran & Ball for auditing services for the next five years.

Background

Policy VIII, Accounting, Auditing and Financial Reporting of the Comprehensive Financial Management Policy dated 12-22-05 stipulates that the City will select a firm for auditing services through an RFP process every five years. This requirement was included in the policy based on the recommendation of best practices by the Government Finance Officers Association. In doing some research I found that Adams, Brown, Beran and Ball has been the City's auditor since 1977. In that time, the City has solicited for RFPs five times.

Discussion

On September 1, 2015, the City Finance Department requested RFPs for auditing services for the audit year 2015 with the option for the four subsequent years from five firms including Adams, Brown, Beran and Ball, Lindburg & Vogel Pierce Faris, Brungardt, Hower, Ward, Elliott and Pfeifer, Jeff Pinkney, CPA and Drue Herl, CPA. Our current auditor, Adams, Brown, Beran and Ball was the only firm to submit a responsive and responsible proposal and bid for auditing services.

City staff has had nothing but a great relationship and good experiences with Adams, Brown, Beran and Ball over the years. They have come to know our procedures, processes and policies very well. Their staff has been incredibly responsive over the years as we have had numerous calls and conferences to vet out changes or additions to our accounting and reporting. As illustrated in the attached proposal they are also well known in the government realm of auditing throughout our area and the State of Kansas.

Legal Consideration

There are no known legal obstacles to proceeding as recommended by City staff.

Financial Consideration

Below are the results of the Sealed Dollar Cost Bids that include the commitment to fees for the entire five years. The fee for the 2015 audit year is just a slight increase of 1.8% over the 2014 audit fees. The single audit, also known as the OMB A-133 audit is an additional piece that is required if the City expends \$750,000 or more in Federal funds or grants. Often this is a result of funds expended at the airport or such as those are likely higher cost projects. Basically this is an audit of the 10% matching funds expended at the airport. Another area this will come into play is with the new waste water plant project. The funds advanced through the SRF Loan are considered federal dollars and such action will require a single audit per our loan agreement with KDHE. It assures the federal government of the use and management of such funds. However, if the City does not meet the \$750,000 criteria then the single audit and its fee is not required.

Year Ended	Audit Fee	Single Audit	Total Fee
12/31/15	\$36,696	\$4,650	\$41,346 ^1.8%
12/31/16	\$37,429	\$4,700	\$42,129 ^1.9%
12/31/17	\$38,365	\$4,700	\$43,065 ^2.2%
12/31/18	\$39,324	\$4,725	\$44,049 ^2.3%
12/31/19	\$40,307	\$4,750	\$45,057 ^2.3%

Options

The City Commission has the following options:

- Accept the proposal and bid from Adams Brown Beran & Ball
- Provide additional direction to staff

Recommendation

City staff recommends the acceptance of the proposal and bid from Adams Brown Beran and Ball for the City of Hays auditing services for the next five years.

Action Requested

Authorize the City Manager to enter into a contract for auditing services with Adams Brown Beran and Ball for the 2015 audit year in an amount not to exceed \$41,346 with the option to renew the four subsequent fiscal years to be funded from the Intergovernmental Professional Services budget.

Supporting Documentation

RFP Response for Auditing Services
Sealed Dollar Cost Bid for Auditing Services

PROPOSAL
FOR
THE CITY OF HAYS, KANSAS
FOR
PROFESSIONAL AUDIT SERVICES

OCTOBER 6, 2015



Certified Public Accountants

Melissa A. Romme, CPA
718 Main Street
785-628-3046

Table of Contents

PROPOSAL INFORMATION	PAGE
TRANSMITTAL LETTER.....	1
INDEPENDENCE & LICENSING.....	3
QUALIFICATIONS & EXPERIENCE.....	5
STAFF QUALIFICATIONS.....	7
GOVERNMENT EXPERIENCE.....	9
AUDIT OVERVIEW.....	10
AUDIT PROCEDURES.....	11

Transmittal Letter

The City Manager, Director of Finance, and City Commissioners
City of Hays, Kansas
Hays, Kansas 67601

Re: Letter of Transmittal

We are pleased to have this opportunity to provide the enclosed material for your consideration on the above referenced services.

We understand that the City of Hays, Kansas' financial statements will be presented in accordance with the financial reporting model described in GASB Statement No. 34 with inclusion of the City's component units, Hays Public Library and Hays Housing Authority. The audit will be conducted in accordance with the auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996, and the provisions of OMB Circular A-133.

Adams, Brown, Beran & Ball, Chtd., Certified Public Accountants, traces its origin back to 1945 and is a local firm of accountants, auditors, and consultants with offices located in Hays, LaCrosse, Great Bend, St. John, McPherson, Hutchinson, Lyons, Hillsboro, Colby, Ness City, Atwood, WaKeeney and Wichita, Kansas. The firm presently employs a full-time staff of approximately 125 qualified and experienced professional, technical and support personnel. Of the 125 employees, approximately 40 individuals comprise the governmental and non-profit audit staff. We have been involved with providing services to municipalities since our inception. We are licensed to practice in Kansas and we are a member of the American Institute of Certified Public Accountants Private Company Practice Section, and the American Institute of Certified Public Accountants Governmental Audit Quality Center which requires our firm to have a peer review of our policies and procedures. The peer review ensures that our quality control meets the standards established by our profession with an emphasis on Governmental Auditing and Accounting Standards. This monitoring by our profession ensures that our staff maintains expertise in all areas of auditing and provides clients quality service.

We believe that a City Audit involves more than just providing an audit report to the City. The report is a management tool that should be used by the City Commissioners' to assist them in their financial decisions. We will provide the City with a management letter that details procedures available to enhance the City's financial management and assist department heads on the operations of their departments.

We will provide a governance letter to the Commissioners. We will discuss the following issues:

- The auditor's responsibility under generally accepted accounting standards.
- Significant accounting policies
- Management judgments and accounting estimate
- Significant audit adjustments
- Other information in documents containing audited financial statements

Transmittal Letter

- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit.

If you have questions contact us at (785)628-3046.

Adams, Brown, Beran & Ball, Chartered

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

Independence & Licensing

INDEPENDENCE

Adams, Brown, Beran & Ball, Chtd. is independent with respect to City of Hays, Kansas and both of its component units in accordance with professional standards promulgated by the American Institute of Certified Public Accountants, Government Auditing Standards issued by the Comptroller General of the United States, the State of Kansas Board of Accountancy, the State of Kansas, CPA Society, state statutes, and other regulatory agencies where applicable.

Adams, Brown, Beran and Ball, Chtd. has a professional relationship with the Hays Public Library as the auditor but has no relationship with Hays Housing Authority. This does not impair independence with the City of Hays, Kansas nor the Hays Public Library which we have been the group auditor for the past five years.

It is the policy of our firm that all professional personnel be familiar with and adhere to the independence, integrity, and objectivity rules, regulations, interpretations, and rulings of the AICPA, Government Auditing Standards issued by the Comptroller General of the United States, the State of Kansas Board of Accountancy, the State of Kansas CPA Society, state statutes and other regulatory agencies where applicable. The procedures listed below are followed to ensure compliance with this policy:

1. An Independence, Integrity and Objectivity Representation is completed by all professional personnel when hired (and annually thereafter). The Quality Control Manager is responsible for obtaining the representation letters.
2. Additions to our client list are communicated to all personnel on a timely basis by a memorandum from the office manager.
3. For clients of whom the firm is not independent, only compilation services are performed and our lack of independence is noted in the report.
4. Current copies of all applicable independence, integrity, and objectivity requirements are maintained by the Quality Control Manager.
5. The work programs and standard forms in the accounting and auditing manuals used by the firm include steps that require:
 - a. A determination of independence and objectivity on each new and recurring client.
 - b. A consideration of unpaid fees.
 - c. An annual confirmation of the independence of another accountant performing work on a segment of an audit, review, or attestation (including forecast and projection) engagement.
 - d. Appropriate reporting on compilations in which the firm is not independent.
6. All independence, integrity, and objectivity questions are resolved by the Quality Control Manager.

Independence & Licensing

LICENSING

Adams, Brown, Beran & Ball, Chtd, Certified Public Accountants, is licensed to practice in Kansas. The anticipated key professional staff on this engagement are Certified Public Accountants and licensed to practice in Kansas.

Qualifications & Experience

Adams, Brown, Beran and Ball, Chtd. is a local firm of Certified Public Accountants with offices in Hays, LaCrosse, Great Bend, St. John, McPherson, Hutchinson, Lyons, Hillsboro, Colby, Ness City, Atwood, WaKeeney and Wichita Kansas. The firm employs a full-time staff of approximately 125 qualified and experienced professional, technical and support personnel representing different areas of expertise within the major areas of accounting and auditing. The firm has 13 partners who serve as Partner-In-Charge of all services performed by the firm. Adams, Brown, Beran and Ball, Chtd. is in compliance with the registration and permit requirements to engage in the practice of public accounting in Kansas.

Our audit of the City of Hays, Kansas will be conducted from the Hays office, located in the Ellis County Administrative Building, 718 Main. This office consists of 23 professional staff: 5 Partners, 2 Principals, 3 Senior Managers and 9 Staff Accountants. 14 of the 22 professional staff are Certified Public Accountants (CPAs) and 13 are experienced in governmental and non-profit auditing. All professional staff are required to acquire annually a minimum of 40 hours of continuing professional education, and all CPAs hold memberships in both the American Institute of Certified Public Accountants and the Kansas Society of Certified Public Accountants. In addition, professional staff are required to complete 24 hours of governmental continuing education every 2 years. Our personnel have met the State of Kansas licensing requirements and have a permit to practice as Certified Public Accountants. The firm is a member of the Private Company Practice Section of the American Institute of Certified Public Accountants, and the American Institute of Certified Public Accountants Governmental Audit Quality Center. These memberships require our firm to have regular peer review of quality controls.

The firm also has a Quality Control Manager who monitors all engagements to ensure all quality control policies and procedures are being followed. The Manager verifies all personnel assignments to an engagement are independent. In addition, a pre-issuance in-house inspection is conducted on all engagements before being released to clients.

Adams, Brown, Beran, and Ball, Chtd. has extensive experience providing services to cities. Enclosed are references of the cities audited by our firm and brief resumes of the personnel we anticipate would be assigned to perform the services. The audit team has knowledge and expertise in internal controls, single audits, budgets, and Kansas Statutes specific to cities and would be a valuable resource for the City's management.

All 13 partners serve as Partner-In-Charge of all services performed by the firm. Under the partner's leadership, the firm has provided services to numerous business clients. The firm has been instrumental in assisting businesses maintain compliance in today's complex financial community. The firm is structured to provide businesses with comprehensive services in a results oriented manner. In addition, to traditional accounting services, the firm has a concentration and experience in the following areas:

- Internal Control and Workflow Analysis
- Operation of Efficiency Audits
- Cost Controls

Qualifications & Experience

- Profit and Cash Flows Analysis
- Budgets and Forecasts
- Strategic Planning
- Cost Centers and Allocation

For a complete list of services and personnel, visit our website at www.abbb.com.

The firm has not had any federal, state, or field reviews of our audits in the past three years. We are submitting a copy of our most recent external quality control review which consisted of a review of government audits and OMB 133 audits.

The partner in charge is Melissa A. Romme, Partner and CPA, who has 25 years experience auditing governmental entities and Kenneth L. Beran, Principal and CPA who has over 40 years experience auditing governmental entities. Personnel will include Ryan Scheck, CPA, Jami Benyscheck, CPA, James Marsicek, Staff Accountant and Sophia Schippers, Staff Accountant. Our personnel attend continuing education sponsored by the State of Kansas as well as firm sponsored governmental experts brought in-house to keep us abreast of current standards.

Staff Qualifications

Melissa A. Romme, CPA, CGMA

mromme@abbb.com

Position

Partner In Charge of Audit Engagements - Approximately 90% of Professional Time Devoted to Audit Engagements

Professional Experience

Adams, Brown, Beran and Ball, Chtd. 1990 - Present

Audit Experience

Adams, Brown, Beran and Ball, Chtd. 1990 - Present

Professional Achievements

AICPA 1992 - Present
KSCPA 1992 - Present
CKCPA 1992 - Present
KSCPA Governmental Accounting Committee 1992 - 2008

Concentration

Governmental and Not-for-Profit Accounting and Auditing

Kenneth L. Beran, CPA

kberan@abbb.com

Position

Principal - Approximately 25% of Professional Time Devoted to Audit Engagements

Professional Experience

Adams, Brown, Beran & Ball, Chtd. 1968 - Present

Audit Experience

Adams, Brown, Beran & Ball, Chtd. 1968 - Present

Professional Achievements

KSCPA Admissions and Membership Committee 1981 - 1983
KSCPA Governmental Accounting Committee 1983 - 1994
KSCPA Governmental Accounting Committee 1989 - 1990
KSCPA Board of Directors 1987 - 1990
AICPA Governmental Audit Quality Center 2007-Present
AICPA 1992 - Present
KSCPA 1992 - Present
NWKCPA 1992 - Present

Staff Qualifications

Ryan Scheck, CPA

rscheck@abbb.com

Position

Senior Staff - Approximately 50% of Professional Time Devoted to Audit Engagements

Professional Experience

Adams, Brown, Beran and Ball, Chtd. 2012 - Present

Audit Experience

Adams, Brown, Beran and Ball, Chtd. 2012 - Present

Jami Benyshek, CPA

jbenyshek@abbb.com

Position

Staff Accountant - Approximately 50% of Professional Time Devoted to Audit Engagements

Professional Experience

Adams, Brown, Beran and Ball, Chtd. 2012 - Present

Audit Experience

Adams, Brown, Beran and Ball, Chtd. 2012 - Present

James Marsicek

jmarsicek@abbb.com

Position

Staff Accountant - Approximately 50% of Professional Time Devoted to Audit Engagements

Professional Experience

Adams, Brown, Beran and Ball, Chtd. 2012 - Present

Audit Experience

Adams, Brown, Beran and Ball, Chtd. 2012 - Present

Sophia Schippers

sschippers@abbb.com

Position

Staff Accountant - Approximately 50% of Professional Time Devoted to Audit Engagements

Professional Experience

Adams, Brown, Beran and Ball, Chtd. 2015 - Present

Audit Experience

Adams, Brown, Beran and Ball, Chtd. 2015 - Present

Governmental Experience

NAME OF ENTITY	CONTACT	PHONE	OMB 133 Audit
City of LaCrosse	Duane Moeder	785-222-2511	No
City of Lyons	Rebecca Schechter	620-257-3743	Yes
City of Oakley	Rose Wessel	785-671-3611	No
City of Osborne	Sharlene Ubelaker	785-346-5611	No
City of Victoria	Mary Pfeifer	785-735-2259	No
City of Woodston	Shari Reichard	785-994-6597	No
Ellis County	Donna Maska	785-628-9465	No
Hays Public Library	Eric Norris	785-625-9014	No
Logan County	Crystal Rucker	785-671-4244	No
Ness County	Renee Kerr	785-798-2401	No
Rush County	Corrine Baldwin	785-222-2731	No
Smith County	Sharon Wolters	785-282-5110	No
Barber County	Debbie Wesley	620-886-3775	No
Harper County	Cheryl Adelhardt	620-842-5555	No
Kingman County	Carol Noblit	620-532-2521	No
Reno County	Gary Meagher	620-694-2530	Yes
City of Hillsboro	Larry Paine	620-947-3162	No
City of Park City	Dennis Nichols	316-744-2026	No
Barton County	Richard Boeckman	620-793-1800	Yes
City of Ellinwood	Kim Schartz	620-564-3161	No
City of Great Bend	Wayne Henneke	620-793-4111	Yes
City of Holyrood	Neysa Brown	785-252-3691	No
City of Pratt	Diana Garten	620-672-6446	Yes
City of Protection	Duane Brumbaugh	620-622-4696	No
City of St. John	Johnna Stanford	620-549-3208	No
City of Stafford	Jane Dickson	620-234-5011	No
Stafford County	Nita Keenan	620-549-3550	No
City of Bird City	Ailysa Blair	785-734-2616	No
City of Colby	Joni Ketchum	785-460-4406	Yes
Thomas County	Shelly Harms	785-460-4500	No

Audit Overview

We believe that an audit involves more than just providing an audit report to the City of Hays, Kansas. The report is a management tool that should be used by the organization's management team to assist them in their financial decisions. As part of our services, we also provide City of Hays, Kansas with a management letter that details procedures available to enhance the organization's financial management and operations.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards (GAAS); the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the Kansas Municipal Audit and Accounting Guide.

As part of the audit, we will assist with the preparation of your financial statements and related notes in accordance with generally accepted accounting principles. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions.

We will also assist your management team with correspondence with governmental agencies in connection with audit findings or questions.

We will perform audit fieldwork in February of each year and issue the preliminary draft report by May 1st to the City Director of Finance and a final draft of the audit report to the City Manager and City Director of Finance by prior to June 1st. The final audit report will be delivered to the City Commissioners prior to June 25th.

Adams, Brown, Beran & Ball, Chtd. has submitted the enclosed audit proposal for the audit of City of Hays, Kansas' financial statements for the years ending December 31, 2015, 2016, 2017, 2018 and 2019 and it includes a detailed understanding of the work to be performed. The proposal states our commitment to completing the audit within the required timelines. We believe that our combined years of experience in auditing governmental entities, our commitment to serving our clients and their needs and our accessibility provides us with the best qualifications to perform this engagement.

Audit Procedures

AUDIT PROCEDURES – GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulation that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

AUDIT PROCEDURES - INTERNAL CONTROL

Our audits will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

AUDIT PROCEDURES – COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Hays, Kansas' compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit Procedures

AUDIT PROCEDURES – UNDERSTANDING INTERNAL CONTROL

All of our audits are performed using a risk-based audit approach. We determine the key audit areas that have the most risk of causing a material misstatement of the financial statements. We perform more substantive procedures to determine that we can provide reasonable assurance that the financial statements are free of material misstatements.

Gaining an understanding of internal controls is an important aspect of the risk-based audit approach. It is important for us as auditors to understand the overarching control environment, risk assessment procedures, information and communication within the organization, and monitoring of the control activities to ensure their implementation in regard to financial reporting. We will also gain an understanding of the IT environment and other general computer controls. We plan to perform inquiries of management and other employees, observe the organization's procedures and controls, inspect documents and records, and trace transactions through the system by performing a walkthrough of all of the key audit areas.

AUDIT ADMINISTRATION

We will review an audit draft with management and deliver the report to the management team at a date to be determined based upon the availability of the organization's records and scheduled management meetings.



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718 Main Street ■ Suite 224 ■ P.O. Box 1186

Hays, Kansas 67601-4465

Certified
Public
Accountants

October 6, 2015

City of Hays, Kansas
Kim Rupp, Director of Finance
PO Box 40
1507 Main Street
Hays, KS 67601

Melissa A. Romme is presenting this proposal on behalf of Adams, Brown, Beran and Ball, Chtd. and as a Partner with Adams, Brown, Beran and Ball, Chtd. is entitled to enter into a contract with the City of Hays, Kansas.

The philosophy of Adams, Brown, Beran & Ball, Chtd. is to provide the highest quality service for a fair and competitive fee. We firmly believe that for you to be a satisfied consumer of our services, we must bring you value in excess of your investment. Below is an estimate of our professional fees for services to be provided for the years indicated. We expect that our audit of the financial statements of City of Hays, Kansas will not exceed the following:

YEAR ENDED		AUDIT FEE		SINGLE AUDIT		TOTAL FEE
December 31, 2015	\$	36,696		4,650	\$	41,346
December 31, 2016	\$	37,429		4,700	\$	42,129
December 31, 2017	\$	38,365		4,700	\$	43,065
December 31, 2018	\$	39,324		4,725	\$	44,049
December 31, 2019	\$	40,307		4,750	\$	45,057

We are basing our fee for these engagements on our hourly rates and estimate of the number of professional hours required. Our fee for the above services assumes that the books of the organization are in balance and that a reasonably good audit trail is maintained. If this is not the case, it is possible that our fee would exceed the quote above. You will be advised in advance if any problems that may increase the fee are discovered. We are also assuming in our fee that City of Hays, Kansas staff will be available to prepare certain requested schedules and information in an electronic format and that internet access will be provided during audit fieldwork.

Our fees are well accepted by our clients. While we are cognizant of our fees, our goal is not to be the firm with the lowest fee, but rather to be the firm that provides the best service at a fee commensurate with the value of the services provided. Considering that many of our clients have been clients for 20 to 30 years and that fees are seldom an issue for any of our clients, we are confident that you will find our fees reasonable based on the services received. In establishing our fees for recurring services and in charging for our services for special engagements, our goal is to establish and maintain a long-term relationship. We believe the fees we have quoted is within a range that will enable us to provide you with the quality services that you desire and expect.

Melissa A. Romme, CPA

Melissa A. Romme, Partner
Certified Public Accountant