

Steve Presley, Mayor
Larissa R. Loveless, Council District #1
Mitchell Jordan, Council District #2
Vickey L. Chivers, Council District #3
Joe Baxter, Council District #4
Dana Goolsby, Council District #5
Ann Connor, Council District #6



City Manager
Teresa Herrera, City Secretary
Gary Landers, City Attorney

**NOTICE OF TELECONFERENCE MEETING
CITY COUNCIL AGENDA
August 31, 2020
4:00 p.m.
City Council Chambers
504 N. Queen Street
Palestine, Texas**

Notice is hereby given in accordance with Order of the Governor issued March 16, 2020, the Palestine City Council will conduct its meeting by telephone/video conference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the COVID-19. There will be public access to the location described above. All attendees are required to wear a face covering.

Zoom Link:

<https://us02web.zoom.us/j/87201318278?pwd=Qjh0TG9EajBvTyt6c3QxNHZncU9SQTO9>

Meeting ID: 872 0131 8278

Passcode: 275389

One tap mobile

+13462487799,,87201318278#,,,,,0#,,275389# US

You can also dial in using your phone. United States: 346-248-7799 Meeting ID: , Password:

Note: when you are joining a Zoom meeting by phone, you can use your phone's dial pad to enter the commands *6 for toggling mute/unmute and *9 to "raise your hand." [Learn more here.](#)

Follow us live at: facebook.com/palestinetx/

The public will be permitted to submit public comments electronically as provided by the agenda and as permitted by the presiding officer during the meeting.

SPECIAL MEETING

A. **CALL TO ORDER**

B. **PROPOSED CHANGES OF AGENDA ITEMS**

C. **PUBLIC COMMENTS, PUBLIC RECOGNITION, AND ANNOUNCEMENTS**

Members of the public may submit their comments by completing the required Request to Speak form by using the weblink below. All comments submitted by 3:30 p.m., the day of the meeting will be read during the meeting. All comments must be no more than five minutes in length.

<http://cityofpalestinetx.com/government/city-secretary/policies-forms/request-to-speak/>

It is not the intention of the City of Palestine to provide a public forum for the

embarrassment or demeaning of an individual or group. Neither is it the intention of the Council to allow a member of the public to slur the performance, honesty and/or integrity of any person or threaten any person. Accordingly, profane, insulting, or threatening language will not be read aloud at the meeting.

D. CONFLICT OF INTEREST DISCLOSURES

E. OPEN BIDS

1. Open Bid No. B2020 001 City Owned Property 9.5 Acre Portion.

F. REGULAR AGENDA

1. Discuss and take action on RFP 2020-1001 Insurance Benefits. Lisa Cariker, HR Director
2. Discuss and take action on Request for Proposal 2020-1002 Ancillary Benefits. Lisa Cariker, HR Director and Rachel Means, President/CEO of Employee Benefits Consulting
3. Consider awarding Bid RFP 2020-011 for Parts for Waterline Replacement to APSCO in the amount of \$71,302.30. Felipe Garcia, Utilities Director
4. Consider awarding Bid RFP 2020-012 for Summit Drive Waterline Replacement to Athens Contractors in the amount of \$38,480.00. Felipe Garcia, Utilities Director
5. Consider awarding Bid RFP 2020-013 for Camden Street Waterline Replacement to Athens Contractors in the amount of \$37,420.00. Felipe Garcia, Utilities Director
6. Discussion and update regarding Wells 3A and 4. Felipe Garcia, Utilities Director
7. Consider authorization for the City Manager to seek RFP's for Alum Chemical for Water Treatment Plant. Felipe Garcia, Utilities Director
8. Consider and approve the Series 2020 Refinancing Plan of Finance and directs Staff and Financial Advisor to execute Plan and approve any documents needed. Jim Sabonis, Managing Director, Hilltop Securities Inc.
9. Consider action on Acknowledgement and Consent to continued representation by the Bojorquez Law firm and specifically attorney Gary Landers to provide city attorney services. Gary Landers, City Attorney
10. Discuss and take action on PISD request for Coronavirus Relief Funds. Steve Presley, Mayor
11. Discuss and take action on Westwood ISD request for Coronavirus Relief Funds. Steve Presley, Mayor
12. Discuss and take action on Coronavirus Relief Funds. Steve Presley, Mayor
13. Discussion and take any necessary action on proposed Annual Budget for Fiscal Year 2020-2021.

G. CLOSED SESSION

Council will go into Closed Session pursuant to Texas Government Code, Chapter 551, Subchapter D.

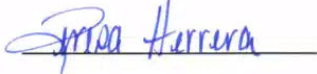
1. Section 551.087 deliberation regarding Economic Development negotiations: Prospect 1001 and Prospect 1006.
2. Section 551.074 personnel matters: to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee including the city manager.

H. RECONVENE IN REGULAR SESSION

1. Take any action necessary regarding Prospect 1001.
2. Take any action necessary regarding Prospect 1006.
3. Take any action necessary regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee including the city manager.

I. **ADJOURNMENT**

I certify that the above Notice of Meeting was posted on the outdoor bulletin board at the main entrance to City Hall, 504 N. Queen Street, Palestine, Texas, in compliance with Chapter 551 of the Texas Government Code on **Friday, August 28, 2020, at 3:15 p.m.**

A handwritten signature in blue ink, reading "Teresa Herrera", is written over a horizontal line.

Teresa Herrera, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA) PERSONS IN NEED OF SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, CONTACT THE CITY SECRETARY'S OFFICE VIA EMAIL AT therrera@palestine-tx.org or 903-731-8414.



Agenda Date: August 31, 2020
To: City Council
From: Teresa Herrera, City Secretary
Agenda Item: Discuss and take action on RFP 2020-1001 Insurance Benefits
Date Submitted: 08/18/2020

SUMMARY:

Discuss and take action on RFP 2020-1001 Insurance Benefits

RECOMMENDED ACTION:

City staff recommends that City Council take recommendations from Employee Benefits Consulting, so they can formally take any action necessary regarding RFP 2020-1001 Insurance Benefits

CITY MANAGER APPROVAL:

City staff recommends that City Council take recommendations from Employee Benefits Consulting, so they can formally take any action necessary regarding RFP 2020-1001 Insurance Benefits

Attachments

RFP 2020-1001 Insurance Benefits



REQUEST FOR PROPOSAL
City of Palestine, Texas

RFP DATA

Proposal Number: #2020-1001

Title: Request for Proposal for Fully-Insured, Self-Funded or
Level-Funded Medical and Prescription Drug Plan

Issue Date: June 1, 2020

REQUEST FOR PROPOSAL TO MARKET

Date: June 1, 2020

Distributed By: Rachel Means
Employee Benefits Consulting
2367 Oak Alley
Tyler TX 75703

PROPOSAL DUE

Date: July 1, 2020

Time: 2:00 PM

Location: Employee Benefits Consulting
ATTN: City of Palestine Medical & RX RFP Response
2367 Oak Alley
Tyler TX 75703

REQUEST FOR PROPOSAL CONTENTS

- Specification Requirements & Instructions
- Contractual Provisions for Consideration
- Assumptions & Expectations
- Submission Forms & Instructions
- Deviations From Specifications
- RFP Overview
- Vendor Selection Criteria
- Plan Summaries / Schedules of Benefits
- Plan Design Changes for 10/1/2020
- Rate History
- TPA Questionnaire (Attachment – Self-Funded or Level Funded Option Only)
- Submission Forms
- Summary Conditions & Specifications
- Signature Page
- Conflict of Interest Questionnaire
- Claims Data (Attachments)
- Plan Census (Attachment)

SPECIFICATIONS REQUIREMENTS & INSTRUCTIONS

1. Important Dates:

RFP Issue Date:	June 1, 2020
Deadline for Questions:	June 15, 2020
RFP Due Date:	July 1, 2020
Coverage Date:	October 1, 2020

2. **Vendors requesting additional information:** Requests for additional information should be made no later than 5:00pm on June 15, 2020 and should be directed to Rachel Means via email at Rachel.Means@ebctx.com. All requested **MUST** be made in writing.

3. **Confidentiality:** Information contained within this RFP is confidential and is to be used only for the purpose of preparing legitimate proposals for all or part of the benefit plans stipulated in this RFP.

4. **Proposal Review:** The City reserves the right to accept or reject, in part or in whole, any portion of the proposals, waive minor technicalities, and select the proposal which best serves the interest of the City. The City also reserves the right to waive or dispense with any of the formalities contained herein.

5. **Premium Costs:** All premium costs/fees related to the RFP must be clearly defined, and all deviations from the specifications must be clearly identified and explained.

The information contained in the RFP is believed to be accurate and up to date, but it is not intended to be an expressed or implied warranty. Requests for interpretation of the specifications should be directed to Rachel Means at Employee Benefits Consulting

6. **Legal Consideration:** All parties submitting proposals are expected to comply with all federal, state and local laws and regulations pertaining to the preparation of proposal and the services to be provided. Specifically, the services to be provided are expected to be in compliance with the Americans with Disabilities Act (ADA), insurance laws and insurance regulations. All proposals that are submitted will be presumed to be in compliance with applicable laws.

7. **Carrier Information:** It is expected those submitting RFPs will provide full disclosure on the insurance carriers and carrier networks that will be used for each coverage requested. Failure to provide this information may result in disqualification or rejection of the RFP response.

8. **RFP Notification:** Parties who are selected to provide benefits coverage to the employees, based on the RFP submitted, will be notified by the City Council and/or the City's Benefit Consultant following thorough review.
9. **Limitations on Responses:** The City is only asking for responses directly from duly licensed Third Party Administrators and Carriers approved to do business in the State of Texas. Responses that include fees for any third-party brokers, agents, consultants or other personnel not currently directly in the employ of the Carrier or the Third Party Administrator will be rejected and not considered.
10. **Proposal Format:**
 - A. Proposals must be clearly explained and identified. All costs, including optional programs, must be clearly stated and summarized. Alternative proposals will also be considered, provided the alternatives are clearly explained. Exceptions or deviations from the specifications must be explicitly identified.
 - B. Those submitting proposals are responsible for the full costs associated with the preparation of the proposal.
 - C. Proposals may be withdrawn prior to the closing time for RFPs. Thereafter, all proposals shall remain open and valid for a period of 180 days of the effective date of the plan, whichever is latest.
 - D. Accuracy in the proposals submitted is essential. All parties are asked to proof proposals for compliance with all stipulations of the RFP and accurate number submitted.
11. **Disqualification and Rejection of Proposals:** Failure to comply with the requirements or the procedures set forth herein, or to satisfy the insurance and servicing criteria as set forth in the specifications, may result in disqualification. It is not intended that exceptions to the specification will, in and of themselves, result in disqualification.
12. **Basis for Consideration:** The City will review all proposals for completeness based on the requirements in this RFP. Those found to be incomplete or fail to address the needs of the City will not be evaluated. Only those proposals that are complete, with all required documentation, will be evaluated. Respondents should initially submit their best offer. If an award is made, primary consideration will be given to the respondent's proposal deemed to be in the best interest of the City.
13. **Service Considerations:** The City will evaluate the proposals on factors other than cost, including level of benefits and provider network coverage area. After a preliminary evaluation of the technical criteria, the cost proposal will be included in the evaluation

process. Costs will be evaluated on an equal basis with the technical criteria, including level of benefits and provider network coverage area.

14. **Right to Reject:** Merely submitting a proposal does not warrant an expressed or implied Contract for the services proposed.
15. **Authorized Signature:** All proposal forms must be signed by persons who have the legal authority to bind the respondent to the proposed coverages.

CONTRACTUAL PROVISIONS FOR CONSIDERATION

The firm that enters into a Contract with the City of Palestine to provide services to the employees will be required to abide by the Contract provisions outlined here. Potential Contractors should consider the following carefully and it is assumed by submitting a proposal that these conditions will be acceptable and included in the final signed document.

1. **Handling of Claims and Customer Service:** The Contractor must agree to:
 - A. Deliver quality customer service to the City and its employees and follow all applicable regulations and industry standards. Any problems relating to servicing the Contract, the employees or the City with regard to billing procedures must be rectified immediately.
 - B. Submit separate invoices for payment as directed by the City. Invoices shall include the Contract/policy number and will be itemized in accordance with the components of the Contract. Payment will not be due until thirty (30) days after the date the above instruments are submitted or the work is actually performed.
 - C. Submit an overdue reminder notice. The City reserves the right to review all of the Contractor's invoices after payment and recover any overpayments discovered in such review.
2. **Continuity of Coverage:** All employees and dependents covered by the current plan are to receive immediate coverage under the new plan. Fair credit will be allowed for any part of deductibles, coinsurance, etc. satisfied prior to the October 1, 2020 effective date.
3. **Claims Experience Monitoring:** The Contractor shall provide monthly reports to both the City and the Benefits Consultant allowing for the monitoring of claims experience on a monthly basis.
4. **Contractor Insurance Coverage:** During the duration of any agreed Contract, the Contractor shall maintain, at its sole cost and expense, Professional E&O insurance with a minimum policy limit of \$1,000,000. The policy must name the City of Palestine as an additional insured. A certificate of insurance evidencing such coverage shall be furnished to the City prior to the commencement of any work for the City.

5. **Contractor Provision Requirement:** The Contract shall provide any necessary tools, equipment, supplies, materials, employees, management and other items or services necessary to provide full service to the Contract.
6. **Indemnity Clause:** By submitting a proposal and/or accepting an agreement for services, the Contractor will agree to hold harmless the City of Palestine, its officers, agents and employees, from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury to, or death of, any person, or for damage to any property arising out of, or in conjunction with, the work done by the Contractor, regardless of whether such injuries, death or damages are caused in whole or in part by the negligence of the City.
7. **Expectations of the Contractor:** It is understood upon submission of a proposal that:
 - A. The Contractor shall not assign or sub-contract any of its rights, duties, or obligations under the Contract without prior written consent from the City. The Contractor shall be entitled to assign, pledge or encumber its rights to receive payments under this Contract pursuant to security interests based upon the Uniform Commercial Code, so long as the City shall never be obligated to negotiate with any such third party in respect to compliance with the terms and conditions of the agreed Contract. Any such assignment, pledge or encumbrance shall be limited by any rights to offset by the City for damages or claims arising under this Contract or any other obligations owed by the Contractor to the City.
 - B. At all times during the term of the Contract, the company awarded the Contract shall operate as an independent Contractor to the City and the Contractor shall not in any event be deemed an employee or the representative of the City, nor shall he/she hold themselves up as such.
8. **Contractor Employee Arrangements:** All employees of the Contractor shall at all times be considered an employee of the Contractor, and the Contractor will be solely liable for the payment of all wages and benefits made available to such employees in connection with their employment. In addition, it is expected and understood that the Contractor will be responsible at all times for the supervision and performance of their employees. All employees of the Contractor shall warrant that all employees are fully covered by workers compensation insurance and that each employee has been carefully screened as to character and fitness for the performance of the job being performed.
9. **Equal Opportunity:** It is expected during the performance of the Contract, all Contractor employees will be treated under the requirements of an Equal Employment

Opportunity employer and honor all protected rights afforded to employees under the law. The Contractor will be advised of any complaints filed with the City alleging that the Contractor is not operating in good faith as an equal employment opportunity employer. The City reserves the right to consider such complaints, along with other considerations, in determining whether or not to terminate any portion of this Contract for which the services have not been performed.

10. **Advertising:** The Contractor awarded the Contract agrees not to advertise or publish, without the City's prior consent, the information related to the entry into a Contract, except as required to comply with requests for information from an authorized representative of the federal, state or local authority.
11. **Contract Amendments & Enforceability:** No amendments, modifications, or change to the provisions outlined here may be made absent from the written agreement of both parties. Further, the Contract awarded to the firm will be interpreted, construed and governed by the laws of the United States and the State of Texas and shall be enforceable in any court of competition jurisdiction in Palestine, Texas or Anderson County, Texas.
12. **Termination:** The City retains the right to terminate for default on all or any part of its Contract if the Contractor breaches any of the terms hereof or if the Contractor becomes insolvent or files for bankruptcy. Such right of termination, in addition to, and not in lieu of, any other remedies, which the City may have in law or equity, specifically including, but not limited to, the right to sue for damages or demand specific performance. The City has the right to terminate this Contract without cause by delivery to the Contractor a Notice of Termination specifying the extent to which performance hereunder is terminated and the date upon which such termination becomes effective.

ASSUMPTIONS AND EXPECTATIONS

Assumptions are as follows:

1. The proposal is to be based on the proposed plan of benefits.
2. The quote is to be based upon the census provided.
3. All participants enrolled in the benefit plan as of 9/30/20 are to receive immediate coverage under the new plan. All health services incurred on or after October 1, 2020 for currently enrolled participants are to be considered eligible expenses. The City's enrollment records are to be the basis for eligible participants.
4. All respondent proposal offerings will comply with the Patient Protection and Affordability Care Act of 2009.
5. Self-Funded Option: This RFP is for a one-year Contract with options for two (2) one-year renewals. Rates for the entire three (3) year period must be displayed and guaranteed. All proposed rates must remain static for the entire three (3) year period.
6. Fully-Insured Option: This RFP is for a one-year Contract. Rate guarantees for optional years will be considered.
7. Level-Funded Option: This RFP is for a one-year Contract. Rate guarantees for optional years will be considered.

SUBMISSION FORMS OVERVIEW

INSTRUCTIONS:

1. Refer to “Specification Requirement and Instructions” before completing submission forms.
2. Quote your best price.
3. The City will choose the combination of insurance plans it determines to be in its best interest, which may mean that a number of contracts could be awarded. The City reserves the right to award several contracts which may result in a respondent receiving a contract for only one coverage, even if the respondent submitted a proposal for several coverages.
4. You must label the envelope or package “Request for Proposal for Fully-Insured, Self-Funded or Level-Funded (or similar) Medical and Prescription Drug Plan – Proposal Number 2020-1001”.

DEVIATIONS FROM SPECIFICATIONS

1. Does your organization agree to the Specifications as outlined in the RFP?
2. Describe, in detail, any deviations from the specifications.
3. Would you be willing to agree to a performance-based contract using these criteria?
4. Will your organization administer and/or underwrite the benefits as outlined in the “Plan Summaries” and “Plan Design Changes” sections?

Name of Organization

Signature of Officer

RFP OVERVIEW

Client:	City of Palestine, Texas		
Industry:	Texas Municipality		
Group to be Covered:	All Eligible Employees (173)		
Size:	(150) Covered Full Time Active Employees, (0) COBRA Participants		
Location:	Palestine, Texas		
Coverages to Bid:	Fully-Insured, Self-Funded or Level-Funded Medical and Prescription Drug Plan		
Geo Access:	Medical: 2 PCPs in 10 miles; 2 Specialists in 10 miles; 1 Hospital in 20 miles		
Commission:	Net of Commission		
Timetable:	RFP Issue Date:	June 1, 2020	
	Deadline for Questions:	June 15, 2020	
	RFP Due Date:	July 1, 2020	
	Coverage Date:	October 1, 2020	

VENDOR SELECTION CRITERIA

The objective of the evaluation for proposals will be to select the provider whose proposal is most responsive to the City's relating importance, price, and other factors considered:

1. Cost (25%)

- a) Fixed Costs: includes insurance costs and administrative costs
- b) Variable Costs: costs stated as a percentage of paid claims, cost management, etc.
- c) Ability to reduce claims expense

2. Financial Stability (20%)

3. Communication (5%)

- a) Educational material for employees
- b) Summary Plan Description capabilities
- c) Administrative kits for locations
- d) Bilingual capability

4. Claims Processing (25%)

- a) Turnaround time excluding medical review of claims
- b) Pended claims procedures
- c) Statistical accuracy
- d) General Service procedures
- e) Willingness to contractually establish performance criteria

5. Claims Management Reports (10%)

Frequency and format of claims reports are of the utmost importance.

6. Integrated Systems / Technology Initiative (10%)

Integrated systems linked to database are integral to the provider selection. The following components make up the whole of an integrated system:

- a) Eligibility
- b) Utilization review
- c) Claims payment
- d) Stop loss integration
- e) Electronic claims inquiry
- f) Internet based enrollment/eligibility/wellness/links to provider networks

7. References (5%)



PLAN SUMMARIES

Benefit Plan Services	HDHP/HSA (Core Plan)	PPO (Preferred Plan)
Physician Visit Copay & Virtual Visits	20% After Deductible	\$30/\$50 Copay
Deductible	\$2,000 person \$6,000 family	\$1,000 person \$3,000 family
Hospitalization	20% After Deductible	20% After Deductible
Preventive Care	No Charge	No Charge
Emergency Room	20% After Deductible	20% after \$75 & Deductible
Out-of-Pocket Maximum	\$6,650 person \$7,350 family	\$7,350 person \$14,700 family
Prescription Drugs In-Network Retail Generic Preferred Non-Preferred Specialty	20% After Deductible	\$10 copay \$40 copay \$60 copay \$75 copay
Out of Network Benefits	Ind/Fam Ded \$4,000/\$12,000 Out-of-Pocket \$15,000/\$30,000 50% Coins	Ind/Fam Ded \$2,000/\$6,000 Out-of-Pocket \$15,000/\$30,000 50% Coins

PLAN DESIGN CHANGES FOR 10/1/20

Benefit plan options should offer employees the choice of desirable deductible/out-of-pocket benefit plans that are affordable to cover dependents.

RATE HISTORY

Premiums effective 1/1/2020 - 12/31/2020					
Plan Name	Plan Type	Employee Only	Employee & Spouse	Employee & Child(ren)	Employee & Family
Core Plan	PPO	\$674.10	\$1,483.01	\$1,280.78	\$2,089.70
Preferred Plan	H S A	\$778.05	\$1,711.72	\$1,478.31	\$2,411.97

Premiums effective 10/1/2018 - 9/30/19					
Plan Name	Plan Type	Employee Only	Employee & Spouse	Employee & Children	Employee & Family
Core Plan	PPO	\$642.00	\$1,412.39	\$1,219.79	\$1,990.19
Preferred Plan	H S A	\$741.00	\$1,630.21	\$1,407.91	\$2,297.11

Premiums effective 10/1/2017 - 9/30/18					
Plan Name	Plan Type	Employee Only	Employee & Spouse	Employee & Children	Employee & Family
Preferred Plan	PPO	\$637.57	\$1,030.52	\$1,444.35	\$1,847.20

TPA QUESTIONNAIRE
(See Separate Attachment)

SUBMISSION FORMS
Network Statistics

MEDICAL NETWORK

Name of Network:

GeoAccess (2 PCPs within 10 miles)	% coverage
GeoAccess (2 Specialists within 10 miles)	% coverage
GeoAccess (1 Hospital within 20 miles)	% coverage
Disruption Provider Match	% coverage
Claims Dollar Match	% coverage

PRESCRIPTION NETWORK

Name of Network:

GeoAccess (2 Pharmacies within 10 miles)	% coverage
Provider Record Match	% coverage
Claims Dollar Match	% coverage

The costs included in the RFP are based upon the current plan of benefits.

Name of Organization

Signature of Officer

MEDICAL AND PHARMACY NETWORK SUBMISSION FORM

The information below outlines the data requested from each proposer.

With regard to the Medical GeoAccess, please provide separate access analysis for each network alternative available for the City of Palestine (PPO / ACO / EPO).

In regard to Pharmacy, please also provide separate access analysis for each network alternative available for the City of Palestine (PPO / Narrow Network).

MEDICAL NETWORK DISCOUNT

Gross Charges (Total In and Out of Network)	\$
Repriced Discount (Total In and Out of Network)	\$
Net Allowed Amount	\$
% Discount	%

**** Please submit detailed repricing analysis and assumptions.**

PHARMACY NETWORK DISCOUNT

Gross Charges	\$
Repriced Discount	\$
Net Allowed Amount	\$
% Discount	%
Dispensing Fees	\$
Administration Fees	\$
Rebates	\$

****Please submit detailed repricing analysis and assumptions.**

The information included above is based upon the current plan of benefits.

Name of Organization

Signature of Officer

SUBMISSION FORM PERFORMANCE COMMITMENTS AND PENALTIES

CARRIER PROPOSAL

Please give "at risk" amounts in percentages or dollars (whichever applies) for each of the below commitment categories and list the parameters surrounding the guarantee for each category:

1. Claim Time-to-Process
2. Call Center
3. Account Management
4. Network Discount
5. Claim Target Turn-Around Time
6. Clinical Management
7. Implementation

The guarantees included above are based upon the current plan of benefits.

Name of Organization

Signature of Officer

SUMMARY CONDITIONS & SPECIFICATIONS

In submitting this proposal, the respondent agrees and certifies to the following conditions:

1. **Non-Inducement Statement:** The respondent certifies that no employee, representative or agent of the firm offered or gave gratuities in any form (gifts, entertainment, etc.) to any City employee or elected or appointed City official in order to secure favorable treatment or consideration in awarding, negotiating, amending or concluding a final agreement for this proposal.
2. **Non-Debarment Statement:** The respondent hereby certifies that he/she is not included on the U.S. Comptroller General's Consolidated List of Persons or Firms currently debarred for violations of various contracts incorporating labor standard/provisions.
3. **Validity Statement:** If this proposal is accepted and a firm contract is entered, the undersigned offers and agrees, within one-hundred twenty (120) calendar days from the proposal date, to supply any or all items/services upon which prices are offered at the designated point and within the time specified.
4. **Non-Collusion Statement:** The respondent hereby certifies that he/she has made this quote independently, without consultation, communication or agreement, for the purpose of restricting competition as to any matter relating to this proposal, with any other respondent or with any other competitor.
5. **Conflict of Interest Statement:** The respondent agrees that and warrants that no employee, official, or member of the City Council or City Employee is, or will be, peculiarly benefited, directly or indirectly, in this proposal or any ensuing contract that may follow.
6. **Conduct Statement:** The respondent certifies by signing below that all of the above statements are true, and he/she has read the entire proposal document and agrees to abide by the terms, certifications and conditions outlined.
7. **Ethics Form:** Form 1295, CIQ, HB 89 and SB 252.

Company Name: _____

Printed Name of Officer: _____

Title: _____

Email Address: _____

Signature of Officer: _____

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed;
or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

FORM 1295

Please complete online www.ethics.state.tx.us/File and attach completed form to the RFP response.

HOUSE BILL 89 VERIFICATION

I, _____, the undersigned representative of _____ hereafter referred to as "Company"; being an adult over the age of eighteen (18) years of age, do hereby depose and verify under oath that the company named above under the provisions of Subtitle F, Title 10, Government Code Chapter 2270:

1. Does not boycott Israel currently; and
2. Will not boycott Israel during the term of this contract.

Pursuant to Section 2270.0014, Texas Government Code:

1. *"Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and*
2. *"Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.*

Signature of Company Officer

Date



Agenda Date: August 31, 2020
To: City Council
From: Teresa Herrera, City Secretary
Agenda Item: Discuss and take action on Request for Proposal 2020-1002 Ancillary Benefits
Date Submitted: 08/18/2020

SUMMARY:

Discuss and take action on Request for Proposal 2020-1002 Ancillary Benefits

RECOMMENDED ACTION:

City staff recommends that City Council take recommendations from Employee Benefits Consulting, so they can formally take any action necessary regarding RFP 2020-1002 Ancillary Benefits

CITY MANAGER APPROVAL:

City Manager recommends that City Council take recommendations from Employee Benefits Consulting, so they can formally take any action necessary regarding RFP 2020-1002 Ancillary Benefits

Attachments

RFP 2020-1002 Ancillary Benefits



REQUEST FOR PROPOSAL

City of Palestine, Texas

RFP DATA

Proposal Number: #2020-1002
Title: Request for Proposal Ancillary & Voluntary Benefits
Issue Date: July 29, 2020

REQUEST FOR PROPOSAL TO MARKET

Date: July 29, 2020
Distributed By: Rachel Means
Employee Benefits Consulting
2367 Oak Alley
Tyler TX 75703

PROPOSAL DUE

Date: August 14, 2020
Time: 2:00 PM
Location: Employee Benefits Consulting
ATTN: City of Palestine Ancillary & Voluntary RFP Response
2367 Oak Alley
Tyler TX 75703

REQUEST FOR PROPOSAL CONTENTS

- Specification Requirements & Instructions
- Contractual Provisions for Consideration
- Assumptions & Expectations
- Submission Forms & Instructions
- Deviations From Specifications
- RFP Overview
- Vendor Selection Criteria
- Plan Summaries
- Rate Information
- Claims Data (Life/AD&D will need to be requested)
- Summary Conditions & Specifications
- Conflict of Interest Questionnaire
- Plan Census (will need to be requested)



SPECIFICATIONS REQUIREMENTS & INSTRUCTIONS

1. Important Dates:

RFP Issue Date:	July 29, 2020
Deadline for Questions:	August 7, 2020
RFP Due Date:	August 14, 2020
Coverage Date:	October 1, 2020
2. **Submission:** Prospective Vendors shall send 1 hard copy of all quotes to the address provided.
3. **Vendors requesting additional information:** Requests for additional information should be made no later than 5:00pm on August 7, 2020 and should be directed to Kevin Hall and Kelly Sackett via email at Kevin.Hall@EBCTX.com and Kelly.Sackett@EBCTX.com. All requests MUST be made in writing.
4. **Confidentiality:** Information contained within this RFP is confidential and is to be used only for the purpose of preparing legitimate proposals for all or part of the benefit plans stipulated in this RFP.
5. **Proposal Review:** The City reserves the right to accept or reject, in part or in whole, any portion of the proposals, waive minor technicalities, and select the proposal which best serves the interest of the City. The City also reserves the right to waive or dispense with any of the formalities contained herein.
6. **Premium Costs:** All premium costs/fees related to the RFP must be clearly defined, and all deviations from the specifications must be clearly identified and explained.

The information contained in the RFP is believed to be accurate and up to date, but it is not intended to be an expressed or implied warranty. Requests for interpretation of the specifications should be directed to Kevin Hall and Kelly Sackett at Employee Benefits Consulting.
7. **Legal Consideration:** All parties submitting proposals are expected to comply with all federal, state and local laws and regulations pertaining to the preparation of proposal and the services to be provided. Specifically, the services to be provided are expected to be in compliance with the Americans with Disabilities Act (ADA), insurance laws and insurance regulations. All proposals that are submitted will be presumed to be in compliance with applicable laws.
8. **Carrier Information:** It is expected those submitting RFPs will provide full disclosure on the insurance carriers and carrier networks that will be used for each coverage requested. Failure to provide this information may result in disqualification or rejection of the RFP response.
9. **RFP Notification:** Parties who are selected to provide benefits coverage to the employees, based on the RFP submitted, will be notified by the City Council and/or the City's Benefit Consultant following thorough review.



10. **Limitations on Responses:** The City is only asking for responses directly from duly licensed Carriers approved to do business in the State of Texas. Responses that include fees for any third-party brokers, agents, consultants or other personnel not currently directly in the employ of the Carrier will be rejected and not considered.
11. **Proposal Format:**
 - A. Proposals must be clearly explained and identified. All costs, including optional programs, must be clearly stated and summarized. Alternative proposals will also be considered, provided the alternatives are clearly explained. Exceptions or deviations from the specifications must be explicitly identified.
 - B. Those submitting proposals are responsible for the full costs associated with the preparation of the proposal.
 - C. Proposals may be withdrawn prior to the closing time for RFPs. Thereafter, all proposals shall remain open and valid for a period of 180 days of the effective date of the plan, whichever is latest.
 - D. Accuracy in the proposals submitted is essential. All parties are asked to proof proposals for compliance with all stipulations of the RFP and accurate number submitted.
12. **Disqualification and Rejection of Proposals:** Failure to comply with the requirements or the procedures set forth herein, or to satisfy the insurance and servicing criteria as set forth in the specifications, may result in disqualification. It is not intended that exceptions to the specification will, in and of themselves, result in disqualification.
13. **Basis for Consideration:** The City will review all proposals for completeness based on the requirements in this RFP. Those found to be incomplete or fail to address the needs of the City will not be evaluated. Only those proposals that are complete, with all required documentation, will be evaluated. Respondents should initially submit their best offer. If an award is made, primary consideration will be given to the respondent's proposal deemed to be in the best interest of the City.
14. **Service Considerations:** The City will evaluate the proposals on factors other than cost, including level of benefits. After a preliminary evaluation of the technical criteria, the cost proposal will be included in the evaluation process. Costs will be evaluated on an equal basis with the technical criteria, including level of benefit provided.
15. **Right to Reject:** Merely submitting a proposal does not warrant an expressed or implied Contract for the services proposed.
16. **Authorized Signature:** All proposal forms must be signed by persons who have the legal authority to bind the respondent to the proposed coverages.



CONTRACTUAL PROVISIONS FOR CONSIDERATION

The firm that enters into a Contract with the City of Palestine to provide services to the employees will be required to abide by the Contract provisions outlined here. Potential Contractors should consider the following carefully and it is assumed by submitting a proposal that these conditions will be acceptable and included in the final signed document.

1. **Handling of Claims and Customer Service:** The Contractor must agree to:
 - A. Deliver quality customer service to the City and its employees and follow all applicable regulations and industry standards. Any problems relating to servicing the Contract, the employees or the City with regard to billing procedures must be rectified immediately.
 - B. Submit separate invoices for payment as directed by the City. Invoices shall include the Contract/policy number and will be itemized in accordance with the components of the Contract. Payment will not be due until thirty (30) days after the date the above instruments are submitted or the work is actually performed.
 - C. Submit an overdue reminder notice. The City reserves the right to review all of the Contractor's invoices after payment and recover any overpayments discovered in such review.
2. **Continuity of Coverage:** All employees and dependents covered by the current plan are to receive immediate coverage under the new plan. The ability for current participants to change and/or upgrade coverage should be allowed effective 10/1/20.
3. **Contractor Insurance Coverage:** During the duration of any agreed Contract, the Contractor shall maintain, at its sole cost and expense, Professional E&O insurance with a minimum policy limit of \$1,000,000. The policy must name the City of Palestine as an additional insured. A certificate of insurance evidencing such coverage shall be furnished to the City prior to the commencement of any work for the City.
4. **Contractor Provision Requirement:** The Contract shall provide any necessary tools, equipment, supplies, materials, employees, management and other items or services necessary to provide full service to the Contract.
5. **Indemnity Clause:** By submitting a proposal and/or accepting an agreement for services, the Contractor will agree to hold harmless the City of Palestine, its officers, agents and employees, from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury to, or death of, any person, or for damage to any property arising out of, or in conjunction with, the work done by the Contractor, regardless of whether such injuries, death or damages are caused in whole or in part by the negligence of the City.



6. **Expectations of the Contractor:** It is understood upon submission of a proposal that:
 - A. The Contractor shall not assign or sub-contract any of its rights, duties, or obligations under the Contract without prior written consent from the City. The Contractor shall be entitled to assign, pledge or encumber its rights to receive payments under this Contract pursuant to security interests based upon the Uniform Commercial Code, so long as the City shall never be obligated to negotiate with any such third party in respect to compliance with the terms and conditions of the agreed Contract. Any such assignment, pledge or encumbrance shall be limited by any rights to offset by the City for damages or claims arising under this Contract or any other obligations owed by the Contractor to the City.
 - B. At all times during the term of the Contract, the company awarded the Contract shall operate as an independent Contractor to the City and the Contractor shall not in any event be deemed an employee or the representative of the City, nor shall he/she hold themselves up as such.
7. **Contractor Employee Arrangements:** All employees of the Contractor shall at all times be considered an employee of the Contractor, and the Contractor will be solely liable for the payment of all wages and benefits made available to such employees in connection with their employment. In addition, it is expected and understood that the Contractor will be responsible at all times for the supervision and performance of their employees. All employees of the Contractor shall warrant that all employees are fully covered by workers compensation insurance and that each employee has been carefully screened as to character and fitness for the performance of the job being performed.
8. **Equal Opportunity:** It is expected during the performance of the Contract, all Contractor employees will be treated under the requirements of an Equal Employment Opportunity employer and honor all protected rights afforded to employees under the law. The Contractor will be advised of any complaints filed with the City alleging that the Contractor is not operating in good faith as an equal employment opportunity employer. The City reserves the right to consider such complaints, along with other considerations, in determining whether or not to terminate any portion of this Contract for which the services have not been performed.
9. **Advertising:** The Contractor awarded the Contract agrees not to advertise or publish, without the City's prior consent, the information related to the entry into a Contract, except as required to comply with requests for information from an authorized representative of the federal, state or local authority.
10. **Contract Amendments & Enforceability:** No amendments, modifications, or change to the provisions outlined here may be made absent from the written agreement of both parties. Further, the Contract awarded to the firm will be interpreted, construed and governed by the laws of the United States and the State of Texas and shall be enforceable in any court of competition jurisdiction in Palestine, Texas or Anderson County, Texas.



11. **Termination:** The City retains the right to terminate for default on all or any part of its Contract if the Contractor breaches any of the terms hereof or if the Contractor becomes insolvent or files for bankruptcy. Such right of termination, in addition to, and not in lieu of, any other remedies, which the City may have in law or equity, specifically including, but not limited to, the right to sue for damages or demand specific performance. The City has the right to terminate this Contract without cause by delivery to the Contractor a Notice of Termination specifying the extent to which performance hereunder is terminated and the date upon which such termination becomes effective.



ASSUMPTIONS AND EXPECTATIONS

Assumptions are as follows:

1. The proposal is to be based on the current benefits. Additional benefits or an increase in benefits may be proposed as an option.
2. The quote is to be based upon the census provided.
3. The City's enrollment records are to be the basis for eligible participants.
4. All respondent proposal offerings will comply with the Patient Protection and Affordability Care Act of 2009.
5. The City would prefer that current enrollees get the opportunity to change/increase their current benefit elections effective 10/1/20.
6. All quotes should include 10% commissions for all products.



SUBMISSION FORMS OVERVIEW

INSTRUCTIONS:

1. Refer to "Specification Requirement and Instructions" before completing submission forms.
2. Quote your best price.
3. The City will choose the combination of insurance plans it determines to be in its best interest, which may mean that a number of contracts could be awarded. The City reserves the right to award several contracts which may result in a respondent receiving a contract for only one coverage, even if the respondent submitted a proposal for several coverages.
4. You must label the envelope or package "Request for Proposal for Ancillary & Voluntary Benefits – Proposal Number 2020-1002".

DEVIATIONS FROM SPECIFICATIONS

1. Does your organization agree to the Specifications as outlined in the RFP?
2. Describe, in detail, any deviations from the specifications.
3. Would you be willing to agree to a performance-based contract using these criteria?

Name of Organization

Signature of Representative



RFP OVERVIEW

Client:	City of Palestine, Texas		
Industry:	Texas Municipality		
Group to be Covered:	All Eligible Employees		
Size:	Varies By Product		
Location:	Palestine, Texas		
Coverages to Bid:	Employer Paid Life/AD&D, Employer Paid LTD, Dental, Vision Voluntary Life, Voluntary STD, Voluntary Accident, Voluntary Critical Illness, Universal Life & Employee Assistant Program		
Commission:	10% Commission		
Timetable:	RFP Issue Date:	July 29, 2020	
	Deadline for Questions:	August 7, 2020	
	RFP Due Date:	August 14, 2020	
	Coverage Date:	October 1, 2020	



VENDOR SELECTION CRITERIA

The objective of the evaluation for proposals will be to select the provider whose proposal is most responsive to the City's relating importance, price, and other factors considered:

1. Cost (50%)

Fixed Costs: includes insurance costs and administrative costs

2. Financial Stability (25%)

3. Communication (15%)

- a) Educational material for employees
- b) Summary Plan Description capabilities
- c) Administrative kits for locations
- d) Bilingual capability

4. Integrated Systems / Technology Initiative (10%)

Integrated systems linked to database are integral to the provider selection. Online/portal capabilities will be heavily assessed.



PLAN SUMMARIES

**BASIC TERM LIFE/AD&D
LONG TERM DISABILITY**

**DENTAL
VISION**

WORKSITE BENEFITS

› Term Life Insurance



Help Protect What Matters – You, Your Family & Your Future

We understand you've worked hard to get where you are today. Ensuring your loved ones can maintain financial stability if an unexpected death should occur is something to consider when planning for the future.

We've Got You Covered

As an active employee of City of Palestine, you have access to a life insurance policy from United of Omaha Life Insurance Company.

It replaces the income you would have provided, and helps pay funeral costs, manage debt and cover ongoing expenses.

How much insurance is enough?

When determining how much life insurance you need, think about the expenses you may encounter now and through every stage of your life.

Coverage guidelines and benefits are outlined in the chart below.



ELIGIBILITY - ALL ELIGIBLE EMPLOYEES

Eligibility Requirement	You must be actively working a minimum of 30 hours per week to be eligible for coverage.
Premium Payment	The premiums for this insurance are paid in full by the policyholder. There is no cost to you for this insurance.

BENEFITS

Life Insurance Benefit Amount	For You: An amount equal to 1 times your annual salary, but in no event less than \$15,000 or more than \$100,000 In the event of death, the benefit paid will be equal to the benefit amount after any age reductions less any living care/accelerated death benefits previously paid under this plan.
Accidental Death & Dismemberment (AD&D) Benefit Amount	For You: The Principal Sum amount is equal to 3 times your annual salary.

FEATURES

Living Care/ Accelerated Death Benefit	80% of the amount of the life insurance benefit is available to you if terminally ill, not to exceed \$80,000.
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Waiver of Premium	If it is determined that you are totally disabled, your life insurance benefit will continue without payment of premium, subject to certain conditions.
Additional AD&D Benefits	In addition to basic AD&D benefits, you are protected by the following benefits: - Childcare - Child Education - Seat Belt - Airbag - Spouse Education - Coma - Common Carrier - Paralysis
Portability	Allows you to continue this insurance program should you leave your employer for any reason, without having to provide evidence of insurability (information about your health). You will be responsible for the premium for the coverage.
Conversion	If your employment ends, you may apply for an individual life insurance policy from Mutual of Omaha without having to provide evidence of insurability (information about your health). You will be responsible for the premium for the coverage.

SERVICES

Travel Assistance	The Travel Assistance program is an added benefit that provides assistance for your travels over 100 miles away from home or outside the country.
Hearing Discount Program	The Hearing Discount Program provides you and your family discounted hearing products, including hearing aids and batteries. Call 1-888-534-1747 or visit www.amplifonusa.com/mutualofomaha to learn more.
Will Prep	We work with Willing® to offer employees discounted online will preparation tools. In just a few clicks you can complete a customized plan to protect your family and property (valid in all 50 states). To get started visit www.willing.com/mutualofomaha

AGE REDUCTIONS AND EXCLUSIONS

Insurance benefits and guarantee issue amounts are subject to age reductions:

- At age 65, amounts reduce to 65%
- At age 70, amounts reduce to 40%
- At age 75, amounts reduce to 25%

Information about the AD&D exclusions for this plan will be included in the summary of coverage, which you will receive after enrolling.

Please contact your employer if you have questions prior to enrolling.

> Frequently Asked Questions

Who is eligible for this insurance?

You must be actively working (performing all normal duties of your job) at least 30 hours per week.

What is Guarantee Issue?

The amount of insurance applied for without answering any health questions (or which does not require evidence of insurability). Coverage amounts over the Guarantee Issue Amount will require evidence of insurability.

What is Evidence of Insurability?

Evidence of Insurability or proof of good health – may be required if you are a late entrant and/or you request any additional coverage above your guarantee issue amount.

Can I take this insurance with me if I change jobs/am no longer a member of this group?

In the event this insurance ends due to a change in your employment/membership status with the group, or for certain other reasons, you may have the right to continue this insurance under the Portability or Conversion provision, subject to certain conditions.

Are there any limitations, reductions or exclusions?

The benefits payable are based on the following:

- Insurance benefits and guarantee issue amounts are subject to age reductions:
 - At age 65, amounts reduce to 65%
 - At age 70, amounts reduce to 40%
 - At age 75, amounts reduce to 25%
- Information about the AD&D exclusions for this plan will be included in the summary of coverage, which you will receive after enrolling.

All exclusions may not be applicable, or may be adjusted, as required by state regulations.

This information describes some of the features of the benefits plan. Benefits may not be available in all states. Please refer to the certificate booklet for a full explanation of the plan's benefits, exclusions, limitations and reductions. Should there be any discrepancy between the certificate booklet and this outline, the certificate booklet will prevail. Life insurance and accidental death & dismemberment insurance are underwritten by United of Omaha Life Insurance Company, 3300 Mutual of Omaha Plaza, Omaha, NE 68175. Policy form number 7000GM-U-EZ 2010 or state equivalent (in NC: 7000GM-U-EZ 2010 NC). United of Omaha Life Insurance Company is licensed nationwide, except New York.



› Long-Term Disability Insurance



Your Ability to Earn an Income May Be Your Most Important Asset

Most people don't think twice about insuring their home, automobile or health. However, many people don't recognize just how important it is to insure their income.

We've Got You Covered

As an active employee of City of Palestine, you have access to a disability income insurance policy from United of Omaha Life Insurance Company.

A lengthy disability can be devastating, and is more common than you might think. It may lead to a loss of income, independence and financial security.

A disability income insurance policy can help provide security when you need it most. It pays you cash benefits when you're sick or hurt and can't work.

Coverage guidelines and benefits are outlined in the chart below.



ELIGIBILITY - LTD BENEFIT SUMMARY

Eligibility Requirement	You must be actively working a minimum of 30 hours per week to be eligible for coverage.
Premium Payment	The premiums for this insurance are paid in full by the policyholder. There is no cost to you for this insurance.
BENEFITS	
Elimination Period	Your benefits begin on the later of 180 calendar days after the onset of your disabling injury or illness or the date your short term disability ends.
Monthly Benefit	Your benefit is equivalent to 60% of your before-tax monthly earnings, not to exceed the plan's maximum monthly benefit amount less other income sources. The premium for your long-term disability coverage is waived while you are receiving benefits.
Maximum Monthly Benefit	\$6,000
Minimum Monthly Benefit	\$100
Maximum Benefit Period	If you become disabled prior to age 62, benefits are payable to age 65, your Social Security Normal Retirement Age or 3.5 years, whichever is longest. At age 62 (and older), the benefit period will be based on a reduced duration schedule.

Partial Disability Benefits	If you become disabled and can work part-time (but not full-time), you may be eligible for partial disability benefits. Additional benefits for family care expenses for eligible family members are also available while receiving partial disability benefits.
DEFINITIONS	
Own Occupation	2 Years
Own Occupation Earnings Test	99%
Definition of Monthly Earnings	Monthly earnings for salaried employees is the gross annual salary in effect immediately prior to the date disability begins, divided by 12. Monthly earnings for hourly employees is the hourly rate of pay multiplied by the average number of hours worked during the 12 month period immediately prior to the date disability begins. If employed for part of the prior 12 month period, monthly earnings is the hourly rate of pay multiplied by the average number of hours worked.
FEATURES	
Vocational Rehabilitation Benefit	If you become disabled and participate in the vocational rehabilitation program, you will be eligible for a monthly benefit increase of 5%.
Survivor Benefit	If you pass away while receiving disability benefits, a lump sum equal to 3 times your monthly benefit will be paid to your eligible survivor.
Enhanced Disability	Provides additional benefits to you if you are unable to perform at least two of five activities of daily living (ADLs).
Portability	The portability feature allows you to apply for disability insurance through a trust policy should your employment end, without having to provide evidence of insurability. You will be responsible for paying the premium for coverage.
SERVICES	
Employee Assistance Program (EAP)	The EAP program provides you and your loved ones access to trained professionals and resources for assistance with personal and workplace issues.
Hearing Discount Program	The Hearing Discount Program provides you and your family discounted hearing products, including hearing aids and batteries. Call 1-888-534-1747 or visit www.amplifonusa.com/mutualofomaha to learn more.

> Frequently Asked Questions

Who is eligible for this insurance?

You must be actively working (performing all normal duties of your job) at least 30 hours per week.

How long will my benefits be paid?

Benefits begin after the end of the elimination period and can be payable up to the maximum benefit period as long as you remain disabled.

Will my benefits be reduced by other sources of income?

Yes, depending on the type of income you receive. Your benefit amount may be reduced by other sources of income such as retirement/government plans, other group disability plans, salary continuance/sick leave, settlements on payments received and no-fault benefits.

Does this plan cover me if I become disabled due to an injury at work?

Yes, your LTD insurance provides benefits for both on-the-job and off-the-job coverage for disabilities due to injury or sickness.

Are there any limitations or exclusions?

The benefits payable are subject to the following:

- Disabilities related to alcohol and drug abuse are only payable for up to 24 months while insured under the policy.
- Disabilities related to mental disorders are only payable for up to 24 months while insured under the policy.
- Your plan is subject to a pre-existing condition limitation. A pre-existing condition is one for which you have received medical treatment, consultation, care or services including diagnostic measures, or if you were prescribed or took prescription medications in the predetermined time frame prior to your effective date of coverage. The pre-existing condition under this plan is 3/12 which means any condition that you receive medical attention for in the 3 months prior to your effective date of coverage that results in a disability during the first 12 months of coverage, would not be covered.
- Benefits are not payable for any disability or loss that:
 - Results from an act of declared or undeclared war or armed aggression
 - Results from participation in a riot or commission of or attempt to commit a felony
 - Results, whether the insured person is sane or insane, from an intentionally self-inflicted injury or illness, suicide, or attempted suicide
 - Results from alcohol and drug abuse and/or substance abuse, except as noted above
 - Results from a mental disorder, except as noted above
 - Is caused by alcohol and drug abuse and/or substance abuse, while not being actively supervised by and receiving continuing treatment from a rehabilitation center or designated institution approved for such treatment by an appropriate body in the governing jurisdiction
 - Occurs while incarcerated or imprisoned for any period exceeding 31 days
 - Is solely a result of a loss of a professional license, occupation license or certification

All exclusions may not be applicable, or may be adjusted, as required by state regulations.

This information describes some of the features of the benefits plan. Benefits may not be available in all states. Please refer to the certificate booklet for a full explanation of the plan's benefits, exclusions, limitations and reductions. Should there be any discrepancy between the certificate booklet and this summary, the certificate booklet will prevail. Benefits availability is subject to final acceptance and approval of the group application by the underwriting company. Disability income insurance is underwritten by United of Omaha Life Insurance Company, 3300 Mutual of Omaha Plaza, Omaha, NE 68175, 1-800-769-7159. United of Omaha Life Insurance Company is licensed nationwide, except in New York. Policy form number 7000GM-U-EZ-2010.





DENTAL / VISION BENEFITS

Dental Benefits

Metropolitan Life Insurance Company

Overview of Benefits for: CITY OF PALESTINE

Date Prepared: 06-01-2020

The Preferred Dentist Program was designed to help you get the dental care you need and help lower your costs.

You get benefits for a wide range of covered services — both in and out of the network. The goal is to deliver affordable protection for a healthier smile and a healthier you.

Coverage Type	In-Network: % of Negotiated Fee	Out-of-Network: % of R&C Fee ¹
Type A	100%	100%
Type B	80%	80%
Type C	50%	50%
Orthodontia	50%	50%
Deductible: Individual/Family*	\$50 (Type B & C)	\$50 (Type B & C)
Annual Maximum Benefit: Per Individual	\$1500	\$1500
Orthodontia Lifetime Maximum: Per Individual	\$1500	\$1500
Ortho applies to Child Only (up to age 19)		

Understanding Your Dental Benefits Plan

With the MetLife Preferred Dentist Program you can visit the dentist of your choice — an “in-network” dentist (a participating MetLife dentist) or an “out-of-network” dentist.

- Plan benefits for in-network services are based on the percentage of the Negotiated fee —the fee that in-network dentists have agreed to accept as payment in full for covered services, subject to any co-payments, deductibles, cost sharing and benefit maximums. Negotiated fees are subject to change.
- Plan benefits for out-of-network services are based on a percentage of the Reasonable and Customary (R&C) charge. If you choose a dentist who does not participate in the network, your out-of-pocket expenses may be higher, since you will be responsible for paying any difference between the dentist's fee and your plan's payment for the approved service. Please refer to the Selected Covered Services and Frequency Limitations page of this document for details regarding how R&C charges are defined under this plan.

Take advantage of online self-service capabilities with MyBenefits.

- Check the status of your claims
- Locate a participating dentist
- Access MetLife's Oral Health Library
- Elect to view your Explanation of Benefits online

If you are not already registered, just go to www.metlife.com/mybenefits and follow the easy registration instructions.

Certain plan benefits are based on a percentage of the negotiated fee. This is the amount that participating dentists have agreed to accept as payment in full. If your plan benefits are based on a percentage of the Reasonable and Customary (R&C) charges, your out-of-pocket expenses may be more, since you will be responsible for paying any difference between the dentist's fee and your plan's payment for the approved service.

* If you are enrolled for dependent coverage, a maximum family deductible may apply.

Savings from enrolling in a dental benefits plan will depend on various factors, including the cost of the plan, how often participants visit the dentist and the cost of services rendered.

Selected Covered Services and Frequency Limitations*

Type A	
• Oral Examinations	2 in 1 year.
• Cleanings	2 in 1 year.
• Fluoride	Children to age 19 / 1 in 1 year.
• Bitewing X-rays	Adult - 2 in 1 year / Children - 2 in 1 year.
• Full Mouth X-rays	1 in 36 months.
• Sealants (1st & 2nd permanent molars)	1 per tooth in 60 months of a dependent child up to 14 th birthday.
Type B	
• Periodontal Maintenance	2 in 1 year less the number of teeth cleanings.
• Emergency Palliative Treatment	
• Periodontal Root Planing & Scaling	1 per quadrant in any 24 months period.
• Periodontal Surgery	1 in 36 months.
• Amalgam & Composite Fillings	1 per surface in 24 months.
• Simple Extractions	
• Root Canal	One per tooth per Lifetime.
• Surgical Extractions	
Type C	
• Space Maintainers	For dependent children to age 14. Limited to 1 per lifetime per area.
• Crowns	1 in 10 years.
• Dentures	1 in 10 years.
• Bridges	1 in 10 years.
• Repairs (Crowns)	1 in 24 months.
• Implants	1 in 10 years.
Orthodontia	
<ul style="list-style-type: none"> • Dependent children are covered up to their 19th birthday. • All dental procedures performed in connection with orthodontic treatment are payable as Orthodontia. • Payments are on a repetitive basis. • 20% of the Orthodontia Lifetime Maximum will be considered at initial placement of the appliance and paid based on the plan benefit's coinsurance level for Orthodontia as defined in the Plan Summary. • Orthodontic benefits end at cancellation of coverage. 	

The service categories and plan limitations shown in this document represent an overview of your plan benefits, but are not a complete description of the plan. Before making any purchase or enrollment decision you should review the certificate of insurance which is available through MetLife or your employer. In the event of a conflict between this overview and your certificate of insurance, your certificate of insurance governs. Like most group dental insurance policies, MetLife group policies contain certain exclusions, limitations and waiting periods and terms for keeping them in force. The certificate of insurance sets forth all plan terms and provisions, including all exclusions and limitations.

***Alternate Benefits:** Your dental plan provides that if there are two or more professionally acceptable dental treatment alternatives for a dental condition, your plan bases reimbursement, and the associated procedure charge, on the least costly treatment alternative. If you and your dentist have agreed on a treatment that is more costly than the treatment upon which the plan benefit is based, you will be responsible for any additional payment responsibility. To avoid any misunderstandings, we suggest you discuss treatment options with your dentist before services are rendered, and obtain a pretreatment estimate of benefits prior to receiving certain high cost services such as crowns, bridges or dentures. You and your dentist will each receive an Explanation of Benefits (EOB) outlining the services provided, your plan's reimbursement for those services, and your out-of-pocket expense. Actual

payments may vary from the pretreatment estimate depending upon annual maximums, plan frequency limits, deductibles and other limits applicable at time of payment.

¹. The Reasonable and Customary charge is based on the lowest of the: "Actual Charge" (the dentist's actual charge); or "Usual Charge" (the dentist's usual charge for the same or similar services); or "Customary Charge" (the 90th percentile charge of most dentists in the same geographic area for the same or similar services as determined by MetLife).

The service categories and plan limitations shown above represent an overview of your plan benefits. This document presents the majority of services within each category, but is not a complete description of the plan.

Exclusions

We will not pay Dental Insurance benefits for charges incurred for:

1. Services which are not Dentally Necessary, those which do not meet generally accepted standards of care for treating the particular dental condition, or which We deem experimental in nature.
2. Services for which You would not be required to pay in the absence of Dental Insurance.
3. Services or supplies received by You or Your Dependent before the Dental Insurance starts for that person.
4. Services which are primarily cosmetic (For residents of Texas, see notice page section in your certificate).
5. Services which are neither performed nor prescribed by a Dentist except for those services of a licensed dental hygienist which are supervised and billed by a Dentist and which are for:
 - scaling and polishing of teeth; or
 - fluoride treatments.
6. Services or appliances which restore or alter occlusion or vertical dimension.
7. Restoration of tooth structure damaged by attrition, abrasion or erosion.
8. Restorations or appliances used for the purpose of periodontal splinting.
9. Counseling or instruction about oral hygiene, plaque control, nutrition and tobacco.
10. Personal supplies or devices including, but not limited to: water piks, toothbrushes, or dental floss.
11. Decoration, personalization or inscription of any tooth, device, appliance, crown or other dental work.
12. Missed appointments.
13. Services:
 - covered under any workers' compensation or occupational disease law;
 - covered under any employer liability law;
 - for which the employer of the person receiving such services is not required to pay; or
 - received at a facility maintained by the Employer, labor union, mutual benefit association, or VA hospital.
14. Services covered under other coverage provided by the Employer.
15. Temporary or provisional restorations.
16. Temporary or provisional appliances.
17. Prescription drugs.
18. Services for which the submitted documentation indicates a poor prognosis.
19. The following when charged by the Dentist on a separate basis:
 - claim form completion;
 - infection control such as gloves, masks, and sterilization of supplies; or
 - local anesthesia, non-intravenous conscious sedation or analgesia such as nitrous oxide.
20. Dental services arising out of accidental injury to the teeth and supporting structures, except for injuries to the teeth due to chewing or biting of food.
21. Caries susceptibility tests.
22. Initial installation of a fixed and permanent Denture to replace one or more natural teeth which were missing before such person was insured for Dental Insurance, except for congenitally missing natural teeth.
23. Other fixed Denture prosthetic services not described elsewhere in this certificate.
24. Precision attachments.
25. Adjustment of a Denture
26. Diagnosis and treatment of temporomandibular joint (TMJ) disorders. This exclusion does not apply to residents of Minnesota.¹
27. Repair or replacement of an orthodontic device.¹
28. Duplicate prosthetic devices or appliances.
29. Replacement of a lost or stolen appliance, Cast Restoration, or Denture.
30. Intra and extraoral photographic images.

¹ Some of these exclusions may not apply. Please see your plan design and certificate for details.

Vision Plan Summary

Metropolitan Life Insurance Company

With your Vision Preferred Provider Organization Plan, you can:

- Go to any licensed vision specialist and receive coverage. Just remember your benefit dollars go further when you stay in network.
- Choose from a large network of ophthalmologists, optometrists and opticians, from private practices to retailers like Costco® Optical, Walmart, Sam's Club and Visionworks.

In-network value added features:

Additional lens enhancements: In addition to standard lens enhancements, enjoy an average 20-25% savings on all other lens enhancements.¹

Savings on glasses and sunglasses: Get 20% savings on additional pairs of prescription glasses and non-prescription sunglasses, including lens enhancements. At times, other promotional offers may also be available.¹

Laser vision correction:² Savings averaging 15% off the regular price or 5% off a promotional offer for laser surgery including PRK, LASIK and Custom LASIK. This offer is only available at MetLife participating locations.

In-network benefits

There are no claims for you to file when you go to a participating vision specialist. Simply pay your copay and, if applicable, any amount over your allowance at the time of service.

Eye exam

Once every **12 months**

- Eye health exam, dilation, prescription and refraction for glasses: Covered in full after a **\$10** copay.
- Retinal imaging: Up to a **\$39** copay on routine retinal screening when performed by a private practice provider.

Frame

Once every **24 months**

- Allowance: **\$130** after **\$10** eyewear copay.
- Costco, Walmart and Sam's Club: **\$70** allowance after **\$10** eyewear copay. You will receive an additional **20%** savings on the amount that you pay over your allowance. This offer is available from all participating locations except Costco, Walmart and Sam's Club.

Standard corrective lenses

Once every **12 months**

- Single vision, lined bifocal, lined trifocal, lenticular: Covered in full after **\$10** eyewear copay.

Standard lens enhancements¹

Once every **12 months**

- Polycarbonate (child up to age 18) and Ultraviolet (UV) coating: Covered in full after **\$10** eyewear copay.
- Progressive Standard, Progressive Premium/Custom, Polycarbonate (adult), Photochromic, Anti-reflective, Scratch-resistant coatings and Tints: Your cost will be limited to a copay that MetLife has negotiated for you. These copays can be viewed after enrollment at www.metlife.com/mybenefits.

Contact lenses instead of eye glasses

Once every **12 months**

- Contact fitting and evaluation: Covered in full.
- Elective lenses: **\$130** allowance.
- Necessary lenses: Covered in full after eyewear copay.

We're here to help

Find a Vision provider at www.metlife.com/vision

Download a claim form at www.metlife.com/mybenefits

For general questions go to www.metlife.com/mybenefits or call 1-855-MET-EYE1 (1-855-638-3931)

Out-of-network reimbursement

You pay for services and then submit a claim for reimbursement. The same benefit frequencies for **In-network benefits** apply. Once you enroll, visit www.metlife.com/mybenefits for detailed out-of-network benefits information.

• Eye exam: up to \$45	• Single vision lenses: up to \$30	• Progressive lenses: up to \$50
• Frames: up to \$70	• Lined bifocal lenses: up to \$50	
• Contact lenses:	• Lined trifocal lenses: up to \$65	
• Elective up to \$105	• Lenticular lenses: up to \$100	
• Necessary up to \$210		

Exclusions and Limitations of Benefits

This plan does not cover the following services, materials and treatments:

Services and Eyewear

- Services and/or materials not specifically included in the Vision Plan Benefits Overview (Schedule of Benefits).
- Any portion of a charge above the Maximum Benefit Allowance or reimbursement indicated in the Schedule of Benefits.
- Any eye examination or corrective eyewear required as a condition of employment.
- Services and supplies received by you or your Dependent before the Vision Insurance starts.
- Missed appointments.
- Services or materials resulting from or in the course of a Covered Person's regular occupation for pay or profit for which the Covered Person is entitled to benefits under any Workers' Compensation Law, Employer's Liability Law or similar law. You must promptly claim and notify the Company of all such benefits.
- Local, state and/or federal taxes, except where MetLife is required by law to pay.
- Services or materials received as a result of disease, defect, or injury due to war or an act of war (declared or undeclared), taking part in a riot or insurrection, or committing or attempting to commit a felony.

- Services and materials obtained while outside the United States, except for emergency vision care.
- Services, procedures, or materials for which a charge would not have been made in the absence of insurance.
- Services: (a) for which the employer of the person receiving such services is not required to pay; or (b) received at a facility maintained by the Employer, labor union, mutual benefit association, or VA hospital.
- Services, to the extent such services, or benefits for such services, are available under a Government Plan. This exclusion will apply whether or not the person receiving the services is enrolled for the Government Plan. We will not exclude payment of benefits for such services if the Government Plan requires that Vision Insurance under the Group Policy be paid first. Government Plan means any plan, program, or coverage which is established under the laws or regulations of any government. The term does not include any plan, program, or coverage provided by a government as an employer or Medicare.
- Plano lenses (lenses with refractive correction of less than $\pm .50$ diopter).
- Two pairs of glasses instead of bifocals.
- Replacement of lenses, frames and/or contact lenses, furnished under this Plan which are lost, stolen, or damaged, except at the normal intervals when Plan Benefits are otherwise available.

- Contact lens insurance policies and service agreements.
- Refitting of contact lenses after the initial (90 day) fitting period.
- Contact lens modification, polishing, and cleaning.

Treatments

- Orthoptics or vision training and any associated supplemental testing.
- Medical and surgical treatment of the eye(s).

Medications

- Prescription and non-prescription medication

¹ All lens enhancements are available at participating private practices. Maximum copays and pricing are subject to change without notice. Please check with your provider for details and copays applicable to your lens choice. Please contact your local Costco, Walmart and Sam's Club to confirm availability of lens enhancements and pricing prior to receiving services. Additional discounts may not be available in certain states.

² Custom LASIK coverage only available using wavefront technology with the microkeratome surgical device. Other LASIK procedures may be performed at an additional cost to the member. Additional savings on laser vision care is only available at participating locations.

Important: If you or your family members are covered by more than one health care plan, you may not be able to collect benefits from both plans. Each plan may require you to follow its rules or use specific doctors and hospitals, and it may be impossible to comply with both plans at the same time. Before you enroll in this plan, read all of the rules very carefully and compare them with the rules of any other plan that covers you or your family.

M130D-10/10

MetLife Vision benefits are underwritten by Metropolitan Life Insurance Company, New York, NY. Certain claims and network administration services are provided through Vision Service Plan (VSP), Rancho Cordova, CA. VSP is not affiliated with Metropolitan Life Insurance Company or its affiliates.

Like most group benefit programs, benefit programs offered by MetLife and its affiliates contain certain exclusions, exceptions, reductions, limitations, waiting periods, and terms for keeping them in force. Please contact MetLife or your plan administrator for costs and complete details.



WORKSITE BENEFITS

Short-Term Disability Income Insurance

American Fidelity Assurance Company

How do you pay for your mortgage, bills, food and other monthly expenses? If your paycheck stopped today, could you maintain your current lifestyle?

American Fidelity's Short-Term Disability Income Insurance is designed to help protect you if you become disabled and cannot work due to a covered Accidental Injury or Sickness.

How the Plan Works

If you become disabled due to a covered accident or sickness, Short-Term Disability Income Insurance will pay up to 60% of your monthly income once you have satisfied the elimination period. Your benefit amount is dependent on your salary and the amount you select at the time of application. Disability benefits will be payable up to the benefit period stated in your policy.

Benefits Begin (Elimination Period)

For the Short-Term Disability Income plan, benefits can begin on the eighth day or 15th day, depending on the plan selected at the time of application. Benefits are payable for a covered Injury or Sickness up to 90 days or 180 days, based on the plan your employer has selected. Refer to your employer's plan and your Certificate for details regarding benefit amounts and more.

Eligibility

All full-time employees and employees of members on active service working 25 hours or more per week. Applicant's eligibility for this program may be subject to insurability. It is your responsibility to see the American Fidelity representative once you have satisfied your employer's waiting period.

Coverage Feature	What It Means To You
Maximum Benefit of 60% of Your Monthly Gross Income	Protect up to 60% of your paycheck.
Benefit Paid Directly to You, Regardless of Other Coverage	Use the money however best fits your financial needs, regardless of other insurance.
Age at Entry	Your premiums will be based on the date your policy becomes effective.
Accidental Death Benefit	Receive a benefit if you die as the direct result of an Accidental Injury and death occurs within 90 days after the date of the Accidental Injury.
Affordable Premiums	Your monthly premiums could be paid with only one hour of a week's paycheck.
Payroll Deducted	Enjoy the convenience of having your premiums deducted straight from your paycheck.
Physician Benefit	Receive a benefit if you receive treatment by a Physician due to a covered Injury.
Accidental Death Benefit	Receive a benefit if death occurs as a direct result of an Injury within 90 days after the Injury.
Guaranteed Issue	First-time eligible employees may be able to receive coverage without being subject to insurability.
Age at Entry Premiums	Premiums will be based on the date your policy becomes effective.

Limitations, exclusions, and waiting periods apply. Refer to your policy for complete details. **This product is inappropriate for people who are eligible for Medicaid coverage.**

Individual Term Life Insurance

American Fidelity Assurance Company

Life insurance is an important factor to any family. It serves as a foundation to help in the case of a loved one’s premature death. Plan today to make the right move for your loved ones.

American Fidelity offers an Individual Term Life Insurance policy to help with your financial needs for your short-term and long-term goals.

How the Plan Works

Individual Term Life Insurance has a death benefit with no cash accumulation feature. The policy is initially written for a 10, 20 or 30-year term period, but may be renewed at the insured’s option for the same level renewal period depending upon the term chosen.

The last level renewal period is no later than age 70 for the 10-year term policy and age 60 for the 20-year term policy. Thereafter, premiums are renewable annually up to age 90. The 30-year term policy is renewable annually after the initial 30-year term period up to age 90. Renewal rates will be based on the insured’s age at the time of renewal.¹

Optional Riders

Enhance your base plan with the following riders:

- **Spouse Term**
- **Children’s Term**
- **Waiver of Premium**
- **Accidental Death & Dismemberment**
- **Accelerated Benefit for Long Term Illness (30 Year Term Only)**

Interim coverage for death will be in force from the date your application is signed if on such date the proposed insured is insurable per our underwriting guidelines for the requested coverage in accordance with the terms of the policy. This interim coverage for death will remain in force until the earlier of: 1) the date a policy becomes effective; 2) the date we decline the application; or 3) the date we notify the proposed insured that they are ineligible for interim coverage. The employee and/or spouse must remain actively at work during the interim coverage period. If the death of the proposed insured occurs during the interim coverage period, the first month’s premium will be subtracted from the policy proceeds. Interim coverage is only for death benefits under the base policy, Children’s Term Rider and Spouse Term Rider. No interim coverage benefits are available under any Waiver of Premium Rider, Accidental Death and Dismemberment Rider, or Accelerated Benefit Rider for Long Term Illness.

Coverage Feature	What It Means To You
Three Plan Options: 10, 20 and 30-Year Level Term Coverage	Choose the coverage period to meet your financial needs.
Guaranteed Death Benefit	Your death benefit is guaranteed during the initial term period you choose.
Accelerated Death Benefit for Terminal Condition	Receive a portion of the chosen death benefit if you are diagnosed with a covered terminal condition. Limitations and exclusions may apply.
Conversion Benefit	Turn your policy into a permanent plan any time up to age 70. The rate for your new plan will be based on your attained age.
Guaranteed Renewable	Renew your policy up to age 90 regardless of your health. ¹
Interim Coverage for Death	Death benefit coverage starts when the life insurance application has been signed and underwriting guidelines have been met.
Enhance Your Coverage	Add optional Spouse Term, Children’s Term, Waiver of Premium, Accidental Death & Dismemberment, Accelerated Benefit for Long Term Illness (30 Year Term Only) Riders to expand your policy.
Express Issue Application	Only 3 express issue health questions are required to issue coverage. ²
Portable	You own the policy. Take the coverage with you if you choose to leave your current job.
Payroll Deducted	Enjoy the convenience of having your premiums deducted straight from your paycheck.

¹Premiums are subject to increase upon renewal. ²Issuance of the policy may depend on the answer to these questions.

Limitations, exclusions and waiting periods apply. Please refer to your policy for complete details, Policy Form Series RCTL14. **This product is inappropriate for people who are eligible for Medicaid coverage.** Individual Life plans do not qualify under Section 125.

Accident Only Insurance

Limited Benefit Accident Only Insurance

American Fidelity Assurance Company

Whether a weekend warrior with an active lifestyle or just a busy family, accidents can happen anytime, anywhere, without warning. Being prepared for the unexpected can make all the difference.

American Fidelity's Accident Only Insurance policy provides you a solution for those unforeseen accidents that life sometimes delivers. Our Limited Benefit Accident Only Insurance is designed to help pay for the unexpected medical expenses an individual may incur for the treatment of covered injuries received in an accident.

How the Plan Works

Our Accident Only Insurance policy pays according to a wide-ranging schedule of benefits. In addition, the policy provides 24-hour coverage for accidents that occur both on and off the job.

All benefits are only paid as a result of Injuries received in an Accident that occurs while coverage is in force. All treatment, procedures, and medical equipment must be diagnosed, recommended and treated by a Physician. All benefits are paid once per Covered Person per Covered Accident unless otherwise specified in the Limitations and Exclusions section.

Optional Accident Disability Income Rider

This rider covers you 24-hours a day and pays a Monthly Benefit Amount when a Covered Person becomes Totally Disabled due to Injuries received in a Covered Accident after the Elimination Period. The monthly benefit will be paid directly to you to use as you see fit.

Coverage Feature	What It Means For You
Plan Options: Basic, Enhanced, and Enhanced Plus	Choose the plan to meet your financial needs.
Four Choices of Coverage: Individual, Individual and Spouse, Individual and Child, or Family	Choose the coverage that fits your lifestyle.
Wide-Ranging Schedule of Benefits	Covers all types of covered injuries.
Wellness Benefit	The plan pays an annual Wellness Benefit for one Covered Person to receive a routine physical exam, including immunizations and preventative testing.
Accident Emergency Treatment Benefit	Receive a benefit when emergency treatment in a Physician's office or emergency room occurs within 72 hours of a covered accident.
Benefit Paid Directly to You, to use as you see fit	Use the benefit however best fits your financial needs.
Guaranteed Renewable	Keep your coverage as long as premiums are paid as required.
24-Hour Coverage	You are covered on or off the job.
Portable	You own the policy. Take the coverage with you if you choose to leave your current job. Your premiums will remain the same.
Additional Coverage Options	Enhance the base plan by adding an optional rider.
Payroll Deducted	Enjoy the convenience of having your premiums deducted straight from your paycheck.

Limitations, exclusions and waiting periods apply. Refer to your policy for complete details, AO-03 series with AMDI258 rider. **This product is inappropriate for people who are eligible for Medicaid coverage.** The premium and amount of benefits provided vary dependent upon the plan selected. The company has the right to change premiums by class. Availability of riders may vary by state.

A cancer diagnosis may be overwhelming. Even with a good medical plan, the out-of-pocket costs of cancer treatment, such as travel, childcare, and loss of income, are considerable and may not be covered.

American Fidelity Assurance Company’s Cancer Insurance offers a solution to help you focus your attention on fighting cancer. We offer plans that can help assist with out-of-pocket costs often associated with a cancer diagnosis.

How the Plan Works

Our plan is designed to help cover expenses if you are diagnosed with a covered Cancer. With over 20 benefits available to you, this plan provides benefits for the treatment of cancer, transportation, hospitalization and more. We provide the benefit directly to you, to be used however you see fit.

Optional Riders

Enhance your base plan with the following riders:

- Critical Illness Rider**
Includes a cancer benefit and a heart attack/stroke benefit
- Hospital Intensive Care Unit Rider**

Coverage Feature	What It Means For You
Plan Options: Basic, Enhanced and Enhanced Plus	Choose the plan to meet your financial needs.
Three Choices of Coverage: Individual, Single Parent Family, or Family	Choose the coverage that fits your lifestyle.
Wide-Ranging Schedule of Benefits	Covers a wide range of treatments.
Benefit Paid Directly to You	Use the money however best fits your financial needs.
Guaranteed Renewable	Policy is guaranteed renewable as long as premiums are paid as required.
Diagnostic and Prevention Benefit	Receive a benefit for visiting your doctor for a cancer screening test, which helps with early detection.
Transportation and Lodging	Receive benefits if you travel more than 50 miles from your home using the most direct route for covered treatment.
Portable	You own the policy. Take the coverage with you if you choose to leave your current job. Your premiums will remain the same.
Additional Coverage Options	Enhance the base plan by choosing from a selection of optional riders.
Payroll Deducted	Enjoy the convenience of having your premiums deducted straight from your paycheck.

Limitations, exclusions and waiting periods apply. Please refer to your policy for complete details. **This product is inappropriate for people who are eligible for Medicaid coverage.** The company has the right to change premiums by class. The premium and amount of benefits provided vary dependent upon the plan selected.

Group Critical Illness Insurance

Limited Group Critical Illness Insurance Policy

American Fidelity Assurance Company

Surviving a critical illness, such as a heart attack or stroke, can come at a high price. With advances in technology to treat these diseases, the cost of treatment rises more and more every year. Even with medical insurance, the out-of-pocket expenses associated with a critical illness can affect anyone's finances.

American Fidelity Assurance Company's Limited Benefit Group Critical Illness Insurance can be the solution that helps you and your family focus on recovery, and may help you with paying bills. Our plan can assist with the expenses that may not be covered by major medical insurance.

How the Plan Works

If you are diagnosed with a covered Critical Illness, such as a heart attack or stroke, this plan is designed to pay a lump sum benefit amount to help cover expenses. Also, this plan offers a Recurrent Diagnosis Benefit for certain specified Critical Illnesses that provides an additional 50% of the Critical Illness benefit amount after the second occurrence date. Covered Critical Illness events include Heart Attack, Permanent Damage Due to a Stroke, and Major Organ Failure.

Guaranteed Renewable

You are guaranteed the right to renew your base policy until age 75 as long as you pay premiums when due or within the premium grace period. The insurer has the right to increase premium rates if the policy so provides.

Coverage Feature	What It Means For You
Plan Options	Choose from three lump sum benefit amounts: \$10,000, \$20,000 or \$30,000.
Coverage Option	Children are automatically covered under the Employee base plan. If elected, Spousal Benefit Amounts will be 50% of the Employee Benefit Amount.
Wellness Benefit	Receive a benefit for your annual health screening test.
Benefit Paid Directly to You	Use the benefit however best fits your financial needs.
Portable	You own the policy. Take the coverage with you if you choose to leave your current job. Your premiums will remain the same.
Additional Coverage Options	Enhance the base plan by adding an optional rider.
Payroll Deducted	Enjoy the convenience of having your premiums deducted straight from your paycheck.

Limitations, exclusions and waiting periods apply. Please refer to your policy for complete details. **This product is inappropriate for people who are eligible for Medicaid coverage.** Group Critical Illness is only offered on an after-tax basis.

Universal Life Insurance

Texas Life Insurance Company

It is impossible for life insurance to emotionally compensate for a loss, but it may help ease the financial obligations placed on your loved ones. Portable individual life insurance products can help.

Permanent, Portable Life Insurance

(PureLife-Plus)

A voluntary permanent, portable product that guarantees life insurance to age 121. *(Underwritten by Texas Life Insurance Company)*

Did You Know?

More Americans were relying on employer-sponsored life insurance coverage than individual coverage.¹

We can provide you with the opportunity for Group Life Insurance — but, do you have permanent, portable, individual life insurance you can take with you after your employment ends? Life insurance at retirement can be very costly.

Consider a PureLife-Plus Policy!

Ask your American Fidelity Representative how you can secure your life insurance premium today at a younger issue age with a permanent and portable product.

- Permanent life insurance to age 121.
- Minimal cash value - premiums dedicated primarily to the purchase of life insurance.
- Long premium guarantees.²
- Unique limited right to partial refund of premium if future premium required to continue coverage increases.²
(Conditions apply)
- Portable when you leave employment.
- Coverage available for employee, spouse, domestic partner, child(ren) and grandchild(ren).³

¹LIMRA: Employers Pessimistic About Benefit Costs Under PPACA February 12, 2013

²After the Guaranteed Period, premiums may go down, stay the same or go up.

³Coverage not available in WA on children and grandchildren. Texas Life complies with all state laws regarding marriages, domestic and civil union partnerships, and legally recognized familial relationships. Coverage and spouse/domestic partner eligibility may vary by state.

Coverage Feature	What It Means To You
Several Product Options	Choose the coverage to meet your financial needs.
Guaranteed Premium ²	Your premiums are guaranteed for each applicable period.
Guaranteed Death Benefit ⁴	Your death benefit is guaranteed for the life of the policy provided premiums are paid when due.
Interim Coverage ⁵	You will be covered from the date of your application if you are insurable for the requested coverage on the date the policy takes effect. Your coverage will remain in force until the policy has been issued or declined.
Enhance Your Coverage	Additional riders may be available on certain products to expand your policy.
Easy Application	No medical exams and minimal health questions. ⁶
Portable	You own the policy. Take the coverage with you if you choose to leave your current job.
Payroll Deducted	Enjoy the convenience of having your premiums deducted straight from your paycheck.

All products may not be available in all states and may contain limitations, exclusions and/or waiting periods. These are brief descriptions of the actual policies.

⁴Guarantees are subject to product terms, exclusions and limitations and the insurer's claims-paying ability and financial strength.

⁵Conditions apply. In Kansas, Temporary Insurance applies. Form 16M050.

⁶Issuance of this policy may depend on the answer to these questions. PureLife-plus is underwritten and issued by Texas Life Insurance Company, 900 Washington Avenue, Waco, Texas 76701. See the PureLife-plus brochure for details.

17M072-C1022 (expires 03/19)

Policy Form: PRFNG-NI-10

PureLife-plus is not available in NJ, NY or PA

SB-22482-0317



AF Hospital Assist™

Help pay for your stay

Are you financially prepared for a medical emergency?

If you experienced a medical emergency, would you be prepared to cover the out-of-pocket medical expenses? And, what about everything else that adds up, like bills, groceries, and housing?

Major medical insurance plans are designed to pay a large portion of your medical costs. But with a high deductible plan, you must pay out of your own pocket until you meet your deductible and plan maximum.

That's where AF Hospital Assist™ can help.

Health Savings Account Qualified Plan

This Health Savings Account (HSA) qualified plan provides a way to help pay for large, out-of-pocket expenses, like a hospital stay, while also getting the tax benefit and potential savings from an HSA.

Plan Highlights

- No health questions required to apply
- Benefits paid directly to you
- Portable so you can take it with you even if you leave employment
- Health screening benefit
- Coverage available for you, your spouse, and your children up to age 26
- Online claims filing process

Cover your costs. Help protect your savings.

Help offset your high deductible, let your HSA savings grow, and give yourself a little protection for the unexpected.

Did you know?

Hospital stays in the United States average over \$11,259.¹

They're neither cheap nor predictable, but they happen. And often. In fact, over 35 million Americans were hospitalized in 2016.²



**AMERICAN
FIDELITY** 
a different opinion

EMPLOYER BENEFIT SOLUTIONS
FOR YOUR INDUSTRY

The premium and amount of benefits provided vary based upon the plan selected. This brochure highlights important features of the policy. Please refer to your certificate for complete details. If you reside in a state other than your employers state domicile, where required by law, policy provisions and benefits may vary.

Choose Your Coverage

Benefits are paid on a calendar year basis		Basic	Enhanced	Enhanced Plus
	Hospital Admission 1 day/Covered Person	\$500	\$500	\$500
	Hospital Confinement Pays up to 30 days/ Covered Person	\$150	\$150	\$150
	ICU 10 days/Covered Person	\$300	\$300	\$300
	Rehab 10 days/Covered Person	\$75	\$75	\$75
	Accident Treatment - ER 3 days/Covered Person	-	\$500	\$500
	Accident Treatment - Physician's Office or Urgent Care 6 days/Covered Person	-	\$100	\$100
	Accident Surgery - Hospital or Ambulatory Surgical Center 3 days/Covered Person	-	\$2,000	\$2,000
	Accident Surgery - Physician's Office or Urgent Care 6 days/Covered Person	-	\$250	\$250
	Health Screening 1 day/Covered Person	\$50	\$50	\$50
	Critical Illness* 1 payment/Covered Person	-	-	\$5,000

Refer to the Plan Benefit Highlights section for additional information.

Wellness Benefit/Health Screening

Are you putting your annual health screening off? With the \$50, built-in wellness benefit, you get rewarded for taking care of yourself.



- ✓ Basic
- ✓ Enhanced
- ✓ Enhanced Plus

Hospital Benefits

If hospitalized, you can get paid directly for the costs.



- ✓ Basic
- ✓ Enhanced
- ✓ Enhanced Plus

Hypothetical Example

You have a car accident and are rushed to the ER. You're admitted and stay 3 days for a back injury. Then, you complete 10 days of rehabilitation.

Cost of Care		Payable Plan Benefits*	Your Deductible ³
Cost/stay ⁴	\$11,259	Admission	\$500
Rehab ⁵	\$1,620	Cost/Day	\$450
		Rehab	\$750
Total			Total benefit payment to you
\$12,879			\$1,700

Accident Benefits

Weekend warrior? Active family? Or a long daily commute? No matter your situation, accidents happen.



- ✓ Enhanced
- ✓ Enhanced Plus

Hypothetical Example:

Your child fell on the playground and broke his arm. He went to the ER, then had surgery in the hospital to repair the broken arm.

Cost of Care		Payable Plan Benefits*	Your Deductible ³
ER Visit ⁶	\$1,233	ER Visit	\$500
Surgery ⁷	\$16,000	Surgery	\$2,000
Total			Total benefit payment to you
\$17,233			\$2,500

Critical Illness Benefit*

While no family history of an illness can be a factor, it's not a guarantee. Critical illnesses strike people of all ages and health types, regardless of family history. If diagnosed with cancer, heart attack, or stroke, you could help protect yourself with a lump sum for certain high-dollar illnesses.



- ✓ Enhanced Plus

AF Hospital Assist™ Premiums

Monthly Premium	Basic	Enhanced	Enhanced Plus
Employee	\$16.12	\$24.14	\$31.12
Employee + Spouse	\$31.26	\$46.58	\$65.32
Employee + Child	\$29.56	\$50.84	\$58.34
Family	\$44.70	\$73.28	\$92.54

Plan Benefit Highlights

Hospital Admission Benefit: We will not pay this benefit for outpatient treatment, emergency room treatment, or a stay of less than 18 hours in an observation unit. Successive hospital admissions will be considered as one admission if they are due to the same or related accident or sickness and separated by less than 90 days.

Hospital Confinement Benefit: We will not pay this benefit for outpatient treatment or a hospital stay of less than 18 hours. **Hospital** shall not include an institution used by you as a place for rehabilitation; a place for rest or for the aged; a nursing or convalescent home; a long-term nursing unit or geriatric ward; or an extended care facility for the care of convalescent, rehabilitative, or ambulatory patients.

Rehabilitation Facility Confinement Benefit: Confinement to the facility must be physician authorized for at least 18 continuous hours and begin immediately following a hospital confinement. Successive hospital admissions will be considered as one admission if they are due to the same or related accident or sickness and separated by less than 30 days.

Outpatient Accident Treatment Benefit: Pays a benefit when any covered person incurs an expense and receives treatment by a physician in an emergency room, physician's office or urgent care facility due to a covered accident. **Accident** means an event which results in bodily injury that is independent of disease or bodily infirmity or any other cause and occurs while coverage is in force.

Accident Surgical Procedure Benefit: Pays a benefit when any covered person incurs an expense and requires a surgical procedure due to a covered accident. The procedure must be performed by a Physician in a hospital, ambulatory surgical center, urgent care facility, or physician's office. We will pay for only one accident surgical procedure performed on the same day even if caused by more than one accident. We will not pay this benefit for colonoscopy or flexible sigmoidoscopy.

Critical Illness Benefit: Pays a benefit when any covered person is diagnosed with a covered Critical Illness. Benefits for a new occurrence of the same critical illness will only be provided if the critical illness is newly diagnosed during the calendar year in which a critical illness benefit hasn't been paid. **Critical Illness** means End Stage Renal Failure, Heart Attack, Major Organ Failure, Permanent Damage Due To a Stroke, Permanent Paralysis, Due to a covered Accident, Carcinoma In Situ or Invasive Cancer, as defined in the Policy, for which a positive diagnosis is made by a Physician. Metastasis of a previously diagnosed cancer will not be considered a new diagnosis of cancer.

Exclusions: We will not pay benefits resulting from or caused by:
(a) suicide or any attempt, while sane or insane;
(b) any intentionally self-inflicted injury or Sickness;
(c) voluntary abortion except, with respect to You or Your covered Dependent Spouse;

(1) where You or Your Dependent Spouse's life would be endangered if the fetus were carried to term; or

(2) where medical complications have arisen from abortion;

(d) pregnancy of a Dependent child (except for complications of pregnancy);

(e) participation in a riot, civil commotion, civil disobedience, or unlawful assembly. This does not include a loss which occurs while acting in a lawful manner within the scope of authority;

(f) commission of a felony;

(g) participation in a contest of speed in power driven vehicles, parachuting, or hang gliding;

(h) air travel, except:

(1) as a fare-paying passenger on a commercial airline on a regularly scheduled route; or

(2) as a passenger for transportation only and not as a pilot or crew member;

(i) elective procedures or cosmetic surgery, including complications of elective procedures or cosmetic surgery;

(j) experimental treatment, drugs, or surgery, except in connection with an approved cancer clinical trial;

(k) performance of military, naval, or air force service of any country;

(l) dental or routine vision services, unless:

(1) resulting from an Accident occurring while the Covered Person's coverage is in force and if performed within 12 months of the date of such Accident; or

(2) due to congenital disease or anomaly of a covered newborn child;

(m) immunizations, sports and routine annual physicals;

(n) services, treatment or loss rendered in any Physician's office, Veterans Administration or Federal Hospital or any other Hospital, except if there is a legal obligation to pay;

(o) artificial insemination, in vitro fertilization, test tube fertilization, sterilization, tubal ligation, or vasectomy, and reversal thereof;

(p) loss that takes place outside of North America;

(q) participation in any sport for pay or profit;

(r) alcoholism or drug use, unless such drugs were taken on the advice of a Physician and taken as prescribed;

(s) mental or emotional disorders without demonstrable organic disease;

(t) air or ground ambulance;

(u) Pre-Existing Conditions, unless the Covered Person has satisfied the Pre-Existing Condition Exclusion period of 12 months. **Pre-Existing Condition** means a disease or physical condition for which you: had treatment or received advice from a physician, during the 12 month period immediately before your effective date of coverage.

*The critical illness benefit is only offered on an after-tax basis. This product may contain limitations, exclusions and waiting periods.

This product is inappropriate for people who are eligible for Medicaid coverage. ¹AHRQ Healthcare Cost and Utilization Project, National Inpatient Sample as of November 10, 2017. ²American Hospital Association: Fast Facts on U.S. Hospitals, 2018. ³Deductible amount based on an average High Deductible Health Plan. ⁴AHRQ Healthcare Cost and Utilization Project, National Inpatient Sample as of November 10, 2017. ⁵MD Save: Procedures A to Z; accessed 10/3/2018 from MDsave.com. ⁶Healthcare Bluebook: Emergency Room Visit – Moderate Problem; Accessed March 22, 2017 from www.healthcarebluebook.com. ⁷CostHelper: How Much Does a Broken Arm Cost?; accessed 10/3/2018 from health.costhelper.com. CostHelper: How Much Does a Broken Arm Cost?

Pregnancy Limitation:

For the Pregnancy Limitation Period, 10 months, the Company will not pay benefits due to any Covered Person giving birth as a result of a normal pregnancy, including cesarean section. Complications of Pregnancy will be covered to the same extent as any other covered benefit. Complications of Pregnancy includes but is not limited to, conditions requiring Confinement (when pregnancy is not terminated), whose diagnoses are distinct from pregnancy but are adversely affected by pregnancy or are caused by pregnancy, such as acute nephritis, nephrosis, cardiac decompensation, missed abortion and similar medical and surgical conditions of comparable severity, ectopic pregnancy which is terminated, spontaneous termination of pregnancy which occurs during a period of gestation in which a viable birth is not possible, puerperal infection, eclampsia and toxemia.

Complications of Pregnancy shall not include false labor, occasional spotting, Physician prescribed rest during the period of pregnancy, morning sickness, hyperemesis gravidarum, preeclampsia and similar conditions associated with the management of a difficult pregnancy not constituting a classifiably distinct Complication of Pregnancy.

Termination of Insurance

Coverage for you and your covered dependent(s) may be continued during a layoff or leave of absence for up to a maximum period of 3 months. Coverage will continue as long as the group policy remains in force, the premiums are paid and you remain eligible for the coverage under the policy. Your coverage will end when you no longer qualify as an insured, you retire, you are not on active employment, or your employment terminates. Your coverage can be terminated or premiums may be increased on any premium due date with 31 days advance notice.



American Fidelity Assurance Company
9000 Cameron Parkway, Oklahoma City, Oklahoma 73114
800-662-1113 • americanfidelity.com



RATE INFORMATION

Dental						Rate Guarantee: 12 months
Current Carrier: MetLife						Employer Pays Employee Portion Only
		E/O	E/S	E/C	E/F	
Total: 147		103	14	12	18	
Current Rates		25.68	52.78	62.79	96.78	
Renewal Rates		27.73	57.00	67.81	104.52	
Voluntary Vision						Rate Guarantee: 36 months
Current Carrier: MetLife						Voluntary
		E/O	E/S	E/C	E/F	
Total: 101		70	10	7	14	
Current Rates		8.21	13.14	13.41	21.63	
Renewal Rates		8.21	13.14	13.41	21.63	
Basic Life/ AD&D						Rate Guarantee: until 2021
Current Carrier: Mutual of Omaha						Employer Paid
Basic Life Rate: .13						
Basic AD&D Rate: .05						
LTD						Rate Guarantee: until 2021
Current Carrier: Mutual of Omaha						Employer Paid
Rate: .29/100						
Worksite Benefits						Rate Guarantee:
Current Carrier: American Fidelity						Voluntary
Rates by age: age banded						
STD						
Individual Term Life						
Accident						
Cancer						
Critical Illness						
Universal Life						
Hospital Benefits						

SUMMARY CONDITIONS & SPECIFICATIONS

In submitting this proposal, the respondent agrees and certifies to the following conditions:

1. Non-Inducement Statement: The respondent certifies that no employee, representative or agent of the firm offered or gave gratuities in any form (gifts, entertainment, etc) to any City employee or elected or appointed City official in order to secure favorable treatment or consideration in awarding, negotiating, amending or concluding a final agreement for this proposal.
2. Non-Debarment Statement: The respondent hereby certifies that he/she is not included on the U.S. Comptroller General's Consolidated List of Persons or Firms currently debarred for violations of various contracts incorporating labor standard/provisions.
3. Validity Statement: If this proposal is accepted and a firm contract is entered, the undersigned offers and agrees, within one-hundred twenty (120) calendar days from the proposal date, to supply any or all items/services upon which prices are offered at the designated point and within the time specified.
4. Non-Collusion Statement: The respondent hereby certifies that he/she has made this quote independently, without consultation, communication or agreement, for the purpose of restricting competition as to any matter relating to this proposal, with any other respondent or with any other competitor.
5. Conflict of Interest Statement: The respondent agrees that and warrants that no employee, official, or member of the City Council or City Employee is, or will be, peculiarly benefited, directly or indirectly, in this proposal or any ensuing contract that may follow.
6. Conduct Statement: The respondent certifies by signing below that all of the above statements are true, and he/she has read the entire proposal document and agrees to abide by the terms, certifications and conditions outlined.
7. Ethics Form: Form 1295, CIQ, HB 89 and SB 252.

Company Name: _____

Printed Name of Representative: _____

Title: _____

Email Address: _____

Signature of Representative: _____



CONFLICT OF INTEREST QUESTIONNAIRE

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed;
or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

FORM 1295

Please complete online www.ethics.state.tx.us/File and attach completed form to the RFP response.

HOUSE BILL 89 VERIFICATION

I, _____, the undersigned representative of _____ hereafter referred to as "Company"; being an adult over the age of eighteen (18) years of age, do hereby depose and verify under oath that the company named above under the provisions of Subtitle F, Title 10, Government Code Chapter 2270:

1. Does not boycott Israel currently; and
2. Will not boycott Israel during the term of this contract.

Pursuant to Section 2270.0014, Texas Government Code:

1. *"Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and*
2. *"Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.*

Signature of Company Representative

Date





Agenda Date: August 31, 2020

To: City Council

From: Lisa Phillips, Public Works Admin

Agenda Item: Consider awarding Bid RFP 2020-011 for Parts for Waterline Replacement to APSCO in the amount of \$71,302.30

Date Submitted: 08/25/2020

SUMMARY:

Discuss and consider awarding Bid RFP 2020-011 for Parts for Waterline Replacement to APSCO in the amount of \$71,302.30

RECOMMENDED ACTION:

Award Bid Proposal RFP 2020-011 to APSCO in the amount of \$71,302.30. While not the lowest bid submitted, it was the lowest complete parts bid submitted.

CITY MANAGER APPROVAL:

Fiscal Impact

Fiscal Year: 2019-2020

Budgeted Y/N: N

Account #: 690-5110-7440.012

Amount Requested: \$71,302.30

Attachments

RFP 2020-011 Parts for Airport Waterline Replacement

VENDOR	APSCO KAUFMAN 3458 US 175 KAUFMAN, TX 75142 PH: 469-595-0243 FAX: 325-672-0949	MILFORD – S. TEXAS 7607 W. INDUSTRIAL AVENUE MIDLAND, TX 79706 PH: 210-526-6710	CORE AND MAIN 1907 KURTH DRIVE LUFKIN, TX 75904	JOHNSON LAB & SUPPLY INC 415 N. TENNESSEE ST. PALESTINE, TX 75801 PH: 903-729-3111	UNDERGROUND UTILITY SUPPLY 6501 HWY 271 TYLER, TX 75708 PH: 903-787-8840	BID AWARDED
PARTS DESCRIPTION	SEE ATTACHED LIST OF PARTS	SEE ATTACHED LIST OF PARTS	SEE ATTACHED LIST OF PARTS	SEE ATTACHED LIST OF PARTS	SEE ATTACHED LIST OF PARTS	
BID PROPOSAL AMOUNT	\$71,302.30	\$86,808.81	\$74,621.49	\$71,057.38 VENDOR DISQUALIFIED DUE TO INCOMPLETE BID	\$77,878.81 VENDOR DISQUALIFIED DUE TO INCOMPLETE BID	APSCO KAUFMAN \$71,302.30

Material's for water line from Wolf Creek to Lower Lake
All Parts are for dinking water and must meet AWWA/ANSI requirements

Qty	Parts
11,000ft	6" C900 Gasket Pipe DR 18 Water Pipe
5	AVK Fire Hydrant, 4' bury, painted silver with Storz fitting Dry Barrel Model 2780
6	6" MJ x MJ x MJ Swivel tee's Mechanical Joint ends, Ductile Iron
11	6" MJ x MJ Resilient Wedge gate valves Mechanical Joint ends, Epoxy Coated
50	6" Pipe restraint kits comparable to Mega lug Mechanical Joint Restraint for C900 pipe
1	6" MJ x MJ 90 degree bend Mechanical Joint ends, Ductile Iron
14	6" MJ x MJ 45 degree bend Mechanical Joint ends, Ductile Iron
1	6" MJ plug with 2" Female IP Threads tap Mechanical Joint ends, Ductile Iron
1	6" MJ x flange Resilient Wedge gate valve Mechanical Joint end, Epoxy Coated
8	6" MJ x MJ anchor coupling Mechanical Joint ends, Ductile Iron
1	6" MJ cap Mechanical Joint ends, Ductile Iron
1	10" MJ cap Mechanical Joint ends, Ductile Iron
1	10" Pipe restraint kits comparable to Mega lug Mechanical Joint Restraint for C900 pipe
12	6"x1" CC tapping saddle, Stainless steel bands, epoxy coated CC/Tapered Thread
12	1" CC corp x CTS Corporation Stop CC/Taper Thread Inlet by Pack Joint Outlet for Copper or Plastic Tubing (CTS), Brass

Material's for water line from Wolf Creek to Lower Lake
All Parts are for dinking water and must meet AWWA/ANSI requirements

100'	1" service tubing Poly, DR 9 Tubing
50	1" SS stiffeners Insert Stiffeners, Stainless steel
10	1" CTS x 3/4 " meter nut, angle cutoff Pack Joint Outlet for Copper or Plastic Tubing (CTS), Brass
2	1" CTS x 1" meter nut, angle cutoff Pack Joint Outlet for Copper or Plastic Tubing (CTS), Brass
12	Square meter boxes with solid blue lids D1200 Style
2	6" Hymax Coupling Or Top Bolt (only)
1	2" Hymax coupling Or Top Bolt (only)
11,000'	Blue colored tracer wire #14 Solid copper strand
6 gal	Pipe lubercation For Pipe joints with Rubber, Synthetic Rubbler or Plastic Gaskets
11	Valve boxes with water lid Adjustable, Cast Iron
140'	10" Steel casing, weldable
20	14' Utility Gates Constructed from 1.66 OD 20 gauge tubing Rails constructed from 1.66 OD 22 gauge tubing Single Piece Vertical Stay constructed from 1.05 OD 22 gauge tubing fitted through drilled rails Available Colors: Red or Green Architectural Grade Powder Coat Finish



Agenda Date: August 31, 2020

To: City Council

From: Lisa Phillips, Public Works Admin

Agenda Item: Consider awarding Bid for Summit Drive Waterline Replacement, RFP 2020-012 to Athens Contractors in the amount of \$38,480.00

Date Submitted: 08/25/2020

SUMMARY:

Discuss and consider awarding Bid RFP 2020-012 for Summit Drive Waterline Replacement to Athens Contractors in the amount of \$38,480.00

RECOMMENDED ACTION:

Recommend Awarding Bid RFP 2020-012 for Summit Drive Waterline Replacement to Athens Contractors in the amount of \$38,480.00. We recommend Bid Award to Athens Contractors, LLC due to extended experience with his services, as well as being the lowest bid received for project.

CITY MANAGER APPROVAL:

Fiscal Impact

Fiscal Year: 2019-2020

Budgeted Y/N: N

Account #: 690-5110-7440.012

Amount Requested: 38,480.00

Attachments

Summit Drive Waterline Replacement

**CITY OF PALESTINE – PUBLIC WORKS
TABULATION
SUMMIT DRIVE WATER LINE REPLACEMENT
RFP 2020-012**

VENDOR	ATHENS CONTRACTORS LLC PO BOX 768 ATHENS, TX 75751 PH: 903-804-8331	R & A ROAD BORING, LLC 11450 HIRSCH ROAD HOUSTON, TX 77016 PH: 281-590-1516	UNDERGROUND UTILITY SUPPLY 6501 HWY. 271 TYLER, TX 75708	AWARD ATHENS CONTRACTORS LLC
DESCRIPTION	REPLACEMENT OF OLD 2" CAST IRON WATER MAIN WITH 450' OF 6" C900, TIE IN INTERSECTIONS. INSTALL 2 WET TAPS, 3 VALVES AND ONE AIR RELIEF VALVE/VAULT	REPLACEMENT OF OLD 2" CAST IRON WATER MAIN WITH 450' OF 6" C900, TIE IN INTERSECTIONS. INSTALL 2 WET TAPS, 3 VALVES AND ONE AIR RELIEF VALVE/VAULT	BIDDER IS DISQUALIFIED DUE TO BID SUBMITTED FOR PARTS ONLY FOR WATERLINE REPLACEMENT	
BID SUBMITTED	\$38,480.00	\$122,000.00	N/A	\$38,480.00



Agenda Date: August 31, 2020

To: City Council

From: Lisa Phillips, Public Works Admin

Agenda Item: Consider awarding Bid RFP 2020-013 for Camden Street Waterline Replacement to Athens Contractors in the amount of \$37,420.00

Date Submitted: 08/25/2020

SUMMARY:

Discuss and consider awarding Bid RFP 2020-013 for Camden Street Waterline Replacement to Athens Contractors in the amount of \$37,420.00.

RECOMMENDED ACTION:

Recommend awarding Bid for RFP 2020-013 to Athens Contractors. We recommend Bid Award to Athens Contractors, LLC due to extended experience with his services, as well as being the only qualified bidder for project.

CITY MANAGER APPROVAL:

Fiscal Impact

Fiscal Year: 2019-2020

Budgeted Y/N: N

Account #: 690-5110-7440.012

Amount Requested: 37420.00

Attachments

Camden Street Waterline Replacement

**CITY OF PALESTINE – PUBLIC WORKS
TABULATION
CAMDEN STREET WATER LINE REPLACEMENT
RFP 2020-013**

VENDOR	ATHENS CONTRACTORS LLC PO BOX 768 ATHENS, TX 75751 PH: 903-804-8331	UNDERGROUND UTILITY SUPPLY 6501 HWY. 271 TYLER, TX 75708	AWARD ATHENS CONTRACTORS LLC
DESCRIPTION	REPLACEMENT OF OLD 2" CAST IRON WATER MAIN WITH 600' OF 6" C900, INSTALL 2-3/4" SERVICES, INSTALL 2 FIRE HYDRANTS W/VALVE AT MAIN, TIE 6" C900 AT INTERSECTIONS, AND INSTALL 6 VALVES & THREE 6" WET TAPS	BIDDER IS DISQUALIFIED DUE TO BID SUBMITTED FOR PARTS ONLY FOR WATERLINE REPLACEMENT	
BID SUBMITTED	\$37,420.00	N/A	\$37,420.00



Agenda Date: August 31, 2020
To: City Council
From: Lisa Phillips, Public Works Admin
Agenda Item: Information sharing regarding Wells 3A and 4
Date Submitted: 08/25/2020

SUMMARY:

Utilities Director, Felipe Garcia, will share information regarding Wells 3A and 4.



Agenda Date: August 31, 2020

To: City Council

From: Lisa Phillips, Public Works Admin

Agenda Item: Consider authorizing Public Works to seek sealed bids for Chemicals for Water Treatment Plant

Date Submitted: 08/26/2020

SUMMARY:

Discuss and Consider authorization for Public Works to seek RFP's for Alum Chemical for Water Treatment Plant.

RECOMMENDED ACTION:

Approve authorization to seek Bid Proposals (RFP's) for the chemical Alum for Water Treatment Plant.

CITY MANAGER APPROVAL:



Agenda Date: August 31, 2020
To: City Council
From: Teresa Herrera, City Secretary
Agenda Item: Series 2020 Refinancing Plan
Date Submitted:

SUMMARY:

Attached is a Presentation of the Economic Refunding of Existing Debt Presentation.

RECOMMENDED ACTION:

CITY MANAGER APPROVAL:

Attachments

Series 2020 Presentation

Contacts

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jim.sabonis@hilltopsecurities.com

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Suite 3500
Dallas, Texas 75270
214.953.4184
andre.ayala@hilltopsecurities.com

Jorge Delgado

Assistant Vice President
1201 Elm Street
Suite 3500
Dallas, Texas 75270
214.859.1714
jorge.delgado@hilltopsecurities.com

City of Palestine, Texas

Overview of Potential Economic Refunding of Existing Bond Debt

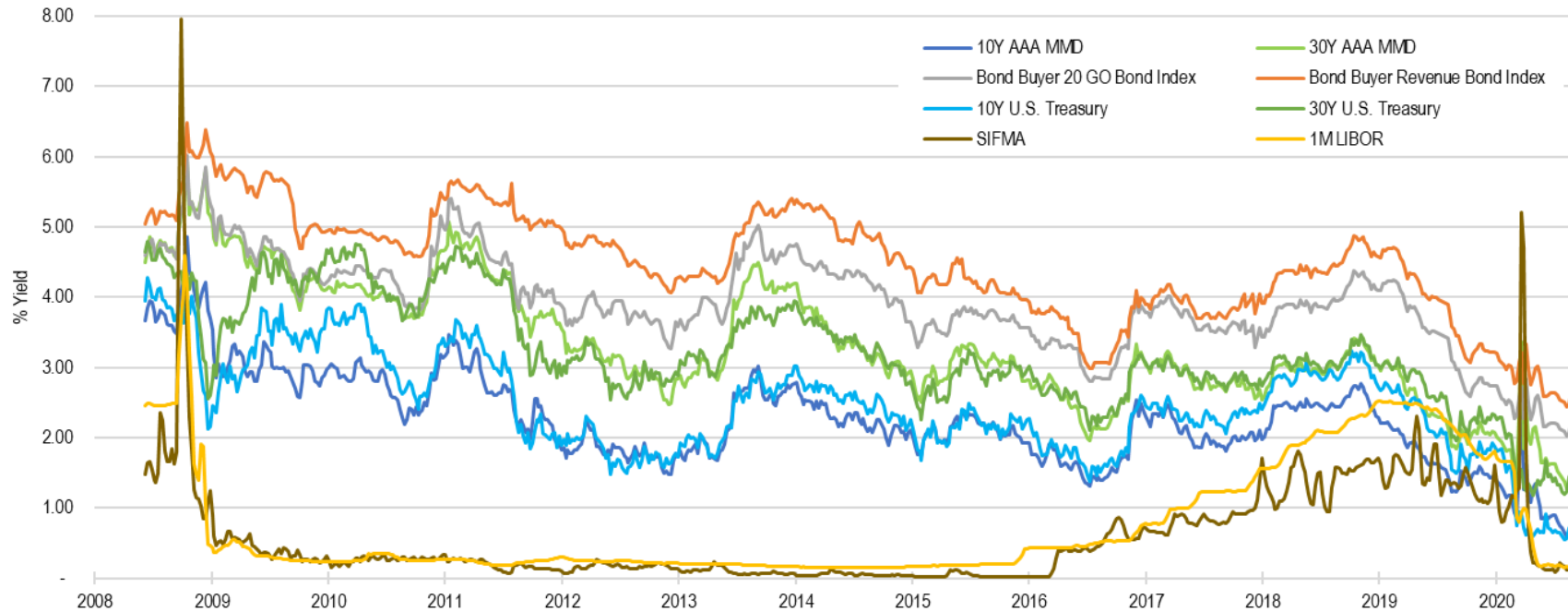
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Current and Historical Interest Rates

Benchmark Interest Rates – 1/1/08 to 8/21/20



Rates Analysis – 1/1/08 to 8/21/20

	10Y AAA MMD	30Y AAA MMD	Bond Buyer 20 GO Bond Index	Bond Buyer Revenue Bond Index	10Y U.S. Treasury	30Y U.S. Treasury	SIFMA	1M LIBOR
Current	0.73	1.46	2.15	2.57	0.64	1.35	0.10	0.18
Maximum	4.86	5.92	6.01	6.48	4.27	4.79	7.96	4.59
Minimum	0.58	1.27	2.02	2.44	0.55	1.17	0.01	0.15
Average	2.31	3.37	3.95	4.51	2.50	3.26	0.64	0.84
% Time Lower	0.6%	0.6%	0.8%	0.8%	0.8%	1.8%	22.7%	12.6%

S&P General Obligation Debt Rating (1 of 2)

Highest Quality Credit	Long Term			Short Term (less than 3 years)			Lowest Quality Credit
	Moody's	S&P	Fitch	Moody's	S&P	Fitch	
	Aaa	AAA	AAA	MIG 1	SP-1+	F1 (+ or -)	
	Aa1	AA+	AA+	MIG 2	SP-1	F2 (+ or -)	
	Aa2	AA	AA	MIG 3	SP-2	F3 (+ or -)	
	Aa3	AA-	AA-	SG	SP-3	B (+ or -)	
	A1	A+	A+				
	A2	A	A				
	A3	A-	A-				
	Baa1	BBB+	BBB+				
	Baa2	BBB	BBB				
	Baa3	BBB-	BBB-				
	Ba1	BB+	BB+				
	Ba2	BB	BB				

Ratings below the **red line** are speculative grade.

**The City of Palestine
is rated "A+" by
Standard & Poor's**

S&P General Obligation Debt Rating (2 of 2)

“A+ / Stable Outlook”

Palestine, Texas; General Obligation

Credit Profile

Palestine GO

Long Term Rating

A+ / Stable

Affirmed

“The rating reflects our opinion of the City’s:

- Adequate management, with standard financial policies and practices under our financial management assessment methodology;
- Strong budgetary flexibility, with an available fund balance in fiscal 2018 of 10.3% of operating expenditures;
- Very strong liquidity, with total government available cash at 11.4% of total governmental fund expenditures and 1.9x governmental debt service, and access to external liquidity we consider strong;
- Very strong debt and contingent liability position, with debt service carrying charges at 6.0% of expenditures and net direct debt that is 52.3% of total governmental fund revenue, as well as rapid amortization, with 96.0% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score....”

“The stable outlook reflects our view that Palestine's finances will stabilize and improve in fiscal years 2019 and 2020 given the steps taken by its new management team. As a result, we do not expect to change the rating within the next two years....”

“Upside scenario

We could raise the rating if the city's economic metrics improve to levels comparable to those of higher-rated peers, accompanied by stabilized and materially improved financial metrics....”

Proposed Plan of Finance (1 of 2)

- The City of Palestine, Texas (the “City”) has the opportunity to refinance some of its long-term general obligation and revenue debt for economic debt service savings
- The following refunding candidates are currently eligible for early redemption:

GENERAL OBLIGATION DEBT

Series	Amount Callable	Interest Rates	Prepayment Option	Repayment Source
C/O's Series 2008	\$1,005,000	3.874%	Callable Anytime	Water & Sewer
C/O's Series 2010A	\$1,446,000	4.500%	Callable Anytime	Mall (Retail)
C/O's Series 2010B	\$2,370,000	4.000% - 4.125%	Callable Anytime	Water & Sewer
C/O's Series 2010	<u>\$677,000</u>	4.500%	Callable Anytime	Mall (Retail)
TOTAL	\$5,498,000			

REVENUE DEBT

Series	Amount Callable	Interest Rates	Prepayment Option	Repayment Source
Rev Bds Series 2003	\$810,000	3.050% - 3.100%	Callable Anytime	Water & Sewer
Rev Bds Series 2006	\$265,000	2.800% - 2.950%	Callable Anytime	Water & Sewer
Rev Bds Series 2007	\$1,875,000	2.400% - 2.650%	Callable Anytime	Water & Sewer
Rev Bds Series 2009	<u>\$310,000</u>	3.400% - 4.250%	Callable Anytime	Water & Sewer
TOTAL	\$3,260,000			

Proposed Plan of Finance (2 of 2)

1. **The City can issue Combination Tax & Revenue Refunding Bonds, Series 2020 to refinance its Water & Sewer related debt for economic debt service savings**
 1. The goal is for the City to take advantage of its general obligation credit strength for better bond pricing (i.e. interest rates)
 2. The City would contribute its existing debt service reserve fund balance towards the refinancing of its revenue debt
2. **The City can issue General Obligation Refunding Bonds, Taxable & Tax-Exempt Series 2020 to refinance its Mall / Retail related debt for economic debt service savings**

Assumptions

- The Refunding Bonds would be rated by Standard & Poor's.
 - The City's current outstanding GO debt rating by Standard & Poor's is "A+"
- The Refunding Bonds would be sold through an open market competitive sale process.
- The Refunding Bonds would be insured. Hilltop Securities will apply for insurance, analyze insurance bids and determine if insurance benefits the City.
- The Refunding Bonds would be issued as bank qualified and tax exempt status (fixed interest rates)
- Savings on the Refunding Bonds would be structured where it makes the most economic sense and there would be no extension of original maturity on the refunded obligations

Preliminary Cash Flows (Water & Sewer Refinancing)

City of Palestine, Texas

Combination Tax & Revenue Refunding Bonds, Series 2020

Preliminary; For Purposes of Discussion Only

Water & Sewer Refinancing

FYE	Total W&S Revenue & GO	Less: Refunded Debt ⁽²⁾	Combination Tax & Revenue Refunding Bonds, Series 2020			Total W&S Revenue Supported Debt	Projected Gross Debt Service Savings
	Supported Debt ⁽¹⁾		All-in True Interest Cost = 1.35%				
			Principal	Interest	Total		
2020	\$ 1,510,489	\$ -	\$ -	\$ -	\$ -	\$ 1,510,489	\$ -
2021	1,524,637	1,255,749	625,000	116,674	741,674	1,010,562	514,075
2022	1,521,948	1,252,771	585,000	161,205	746,205	1,015,382	506,566
2023	1,117,645	833,372	585,000	141,900	726,900	1,011,173	106,472
2024	1,059,791	825,818	655,000	122,595	777,595	1,011,568	48,223
2025	1,071,678	827,380	670,000	100,980	770,980	1,015,278	56,400
2026	1,027,131	767,885	675,000	78,870	753,870	1,013,116	14,015
2027	1,042,956	774,140	685,000	56,595	741,595	1,010,411	32,545
2028	762,293	479,282	445,000	33,990	478,990	762,001	292
2029	329,025	329,025	305,000	19,305	324,305	324,305	4,720
2030	290,878	290,878	280,000	9,240	289,240	289,240	1,638
Total	\$ 11,258,471	\$ 7,636,300	\$5,510,000	\$841,354	\$6,351,354	\$ 9,973,525	\$ 1,284,946

Notes:

(1) Includes Waterworks & Sewer System Revenue Bonds, Series 2003, 2006, 2007 and 2009.

Certificates of Obligation, Series 2008, Series 2010B, Series 2013 & GO Refunding Bonds, Series 2012.

(2) Refinancing of Waterworks & Sewer System Revenue Bonds, Series 2003, 2006, 2007 and 2009 and Certificates of Obligation, Series 2008 & Series 2010B.

(3) All-in True Interest Cost assumes "A" rated bank qualified **non callable** interest rates plus 0.30% as of 8/13/2020.

(4) Assumes the City contributes existing DSRF balance towards the refunding of all water & sewer system revenue debt.

Preliminary Cash Flows (Mall / Retail Refinancing)

City of Palestine, Texas

General Obligation Refunding Bonds Series 2020 (Taxable & Tax Exempt)

Preliminary; For Purposes of Discussion Only

Mall/Retail Refinancing

FYE	Existing Mall/Retail Supported Debt ⁽¹⁾	<i>Less: Mall/Retail Supported Debt⁽²⁾</i>	Tax-Exempt AIC = 2.15% ⁽³⁾ Refunding of Series 2010 Total D/S	Taxable AIC = 2.74% ⁽⁴⁾ Refunding of Series 2010A Total D/S	Projected Mall/Retail Supported Debt	<i>Projected Gross Debt Service Savings</i>
2020	\$ 372,836	\$ -	\$ -	\$ -	\$ 372,836	\$ -
2021	250,009	250,009	80,617	163,270	243,888	6,122
2022	252,676	252,676	73,455	169,152	242,607	10,069
2023	255,871	255,871	77,018	167,339	244,357	11,514
2024	258,746	258,746	75,523	165,317	240,839	17,907
2025	261,752	261,752	74,028	168,029	242,057	19,696
2026	266,350	266,350	77,475	165,442	242,917	23,433
2027	269,340	269,340	75,865	167,543	243,408	25,932
2028	273,766	273,766	74,255	169,320	243,575	30,192
2029	278,363	278,363	77,588	165,776	243,363	35,000
2030	283,284	283,284	75,863	166,972	242,834	40,449
Total	\$ 3,022,993	\$ 2,650,157	\$ 761,685	\$ 1,668,158	\$ 2,802,679	\$ 220,315

Notes:

(1) Includes Certificates of Obligation Series 2010, Taxable Series 2010A & Lease Revenue Bonds, Series 2020

(2) Refinancing of Certificates of Obligation Series 2010 & Taxable Series 2010A

(3) All-in True Interest Cost assumes "A" rated bank qualified **callable @ anytime** interest rates plus 0.30% as of 8/13/2020.

(4) All-in True Interest Cost assumes "A" rated taxable **callable @ anytime** interest rates plus 0.30% as of 8/13/2020.

Proposed Schedule of Events

- **August 31, 2020 – Regular City Council Meeting**
 - Presentation of the Series 2020 Refinancing Plan of Finance to City Council
 - **City Council considers and approves the Series 2020 Refinancing Plan of Finance and directs Staff and Financial Advisor to execute Plan**

- **October 26, 2020 – Regular City Council Meeting** (*Can be moved to an earlier October meeting if the City meets on an alternative date from October 12 which falls on Columbus Day*)
 - **City Council approves an Ordinance authorizing the issuance of the General Obligation Refunding Bonds, Taxable & Tax-Exempt Series 2020 and Combination Tax and Revenue Refunding Bonds, Series 2020**

- *Before Closing – Attorney General Approves Sale*

- **November 24, 2020** (*Can be moved to an earlier date if Refunding Bonds are issued during an earlier October meeting*)
 - Closing and delivery of funds to Escrow Agent (Refunding Bonds, Series 2020)



Questions and Discussion

Disclaimer

This communication is intended for issuers for educational and informational purposes only and does not constitute legal or investment advice, nor is it an offer or a solicitation of an offer to buy or sell any investment or other specific product or service. Financial transactions may be dependent upon many factors such as, but not limited to, interest rate trends, tax rates, supply, change in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of such changes in such assumptions may be material and could affect the projected results. Any outcome or result HilltopSecurities, or any of its employees, may have achieved on behalf of our clients in previous matters does not necessarily indicate similar results can be obtained in the future for current or potential clients. HilltopSecurities makes no claim the use of this communication will assure a successful outcome. This communication is intended for institutional use only. For additional information, comments or questions, please contact Hilltop Securities Inc.

Municipal Advisor Disclosure Statement

This disclosure statement is provided by Hilltop Securities Inc. ("the Firm") and provides information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to potential clients pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm's conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to clients, which includes a duty of loyalty to clients in performing all municipal advisory activities for clients. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with clients and to act in the client's best interests without regard to the Firm's financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm's municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm's arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate First Southwest Advisory, provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk through investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer's annual filings and public notification of material events. The Firm administers two government investment pools for Texas governments; the Short-Term Asset Reserve Fund (TexSTAR) and the Local Government Investment Cooperative (LOGIC). These programs offer Texas government entities investment options for their cash management programs based on the entities specific needs. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

Municipal Advisor Disclosure Statement

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of clients that may from time to time have interests that could have a direct or indirect impact on the interests of other clients. For example, the Firm serves as municipal advisor to other clients and, in such cases, owes a regulatory duty to such other clients just as it does to all of its municipal advisory clients. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to any specific client.

IV. Secondary Market Transactions in Client's Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of its clients, and therefore the Firm could have interests in conflict with a client with respect to the value of the client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire a municipal advisory client's securities issued in an issue under a municipal advisory agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with the client in that it could create the incentive for the Firm to make recommendations to the client that could result in more advantageous pricing of the client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to any client under a municipal advisory agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of the Firm's municipal advisory clients, may be undertaken on behalf of, or as counterparty to, the client, personnel of the client, and current or potential investors in the securities of the client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of the Firm's municipal advisory clients, such as when their buying or selling of the municipal advisory client's securities may have an adverse effect on the market for the municipal advisory client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to the municipal advisory client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to its municipal advisory client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to its clients, or to advise clients to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by the client and the Firm of, among other things, the expected duration and complexity of the transaction and the scope of municipal services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Municipal Advisor Disclosure Statement

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event The Firm discloses the following legal or disciplinary events that may be material to a client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's [BrokerCheck](#) webpage..
- The Firm self-reported violations of SEC Rule 15c2-12: Continuing Disclosure. The Firm settled with the SEC on February 2, 2016. The firm agreed to retain independent consultant and adopt the consultant's finding. Firm paid a fine of \$360,000.
- The Firm settled with the SEC in matters related to violations of MSRB Rules G-23(c), G-17 and SEC rule 15B(c) (1). The Firm disgorged fees of \$120,000 received as financial advisor on the deal, paid prejudgment interest of \$22,400.00 and a penalty of \$50,000.00.
- The Firm entered into a Settlement Agreement with Rhode Island Commerce Corporation. Under the Settlement Agreement, the firm agreed to pay \$16.0 million to settle any and all claims in connection with The Rhode Island Economic Development Corporation Job Creation Guaranty Program Taxable Revenue Bond (38 Studios, LLC Project) Series 2010, including the litigation thereto. The case, filed in 2012, arose out of a failed loan by Rhode Island Economic Development Corporation. The firm's predecessor company, First Southwest Company, LLC, was one of 14 defendants. FirstSouthwest's engagement was limited to advising on the structure, terms, and rating of the underlying bonds. Hilltop settled with no admission of liability or wrongdoing.
- On April 30, 2019, the Firm entered into a Settlement Agreement with Berkeley County School District of Berkeley County, South Carolina. The case, filed in March of 2019, arose in connection with certain bond transactions occurring from 2012 to 2014, for which former employees of Southwest Securities, Inc., a predecessor company, provided financial advisory services. The Firm agreed to disgorge all financial advisory fees related to such bond transactions, which amounted to \$822,966.47, to settle any and all claims, including litigation thereto. Under the Settlement Agreement, the Firm was dismissed from the lawsuit with prejudice, no additional penalty, and with no admission of liability or wrongdoing.

II. How to Access Form MA and Form MA-I Filings The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at Forms MA and MA-I. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org/>, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov/>. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.



Agenda Date: August 31, 2020
To: City Council
From: Teresa Herrera, City Secretary
Agenda Item: Discuss and take action on PISD request for Coronavirus Relief Funds
Date Submitted: 08/21/2020

SUMMARY:

Discuss and take action on PISD request for Coronavirus Relief Funds

RECOMMENDED ACTION:

Take any action necessary on PISD request for Coronavirus Relief Funds

CITY MANAGER APPROVAL:

Take any action necessary on PISD request for Coronavirus Relief Funds



Agenda Date: August 31, 2020
To: City Council
From: Teresa Herrera, City Secretary
Agenda Item: Discuss and take action on Westwood ISD request for Coronavirus Relief Funds
Date Submitted: 08/21/2020

SUMMARY:

Discuss and take action on Westwood ISD request for Coronavirus Relief Funds

RECOMMENDED ACTION:

Take any action necessary on Westwood ISD request for Coronavirus Relief Funds

CITY MANAGER APPROVAL:

Take any action necessary on Westwood ISD request for Coronavirus Relief Funds



Agenda Date: August 31, 2020
To: City Council
From: Teresa Herrera, City Secretary
Agenda Item: Discuss and take action on Coronavirus Relief Funds
Date Submitted: 08/21/2020

SUMMARY:

Discuss and take action on Coronavirus Relief Funds

RECOMMENDED ACTION:

Discuss and take action on Coronavirus Relief Funds

CITY MANAGER APPROVAL:

Discuss and take action on Coronavirus Relief Funds



Agenda Date: August 31, 2020
To: City Council
From: Lisa Denton, Economic Development Director
Agenda Item: Take any action necessary regarding Prospect 1001
Date Submitted: 08/27/2020

SUMMARY:

Take any action necessary regarding Prospect 1001

RECOMMENDED ACTION:

Take any action necessary regarding Prospect 1001

CITY MANAGER APPROVAL:

Take any action necessary regarding Prospect 1001



Agenda Date: August 31, 2020
To: City Council
From: Lisa Denton, Economic Development Director
Agenda Item: Take any action necessary regarding Prospect 1006
Date Submitted: 08/27/2020

SUMMARY:

Take any action necessary regarding Prospect 1006

RECOMMENDED ACTION:

Take any action necessary regarding Prospect 1006

CITY MANAGER APPROVAL:

Take any action necessary regarding Prospect 1006
