

**AGENDA**  
**REGULAR MEETING OF COUNCIL**  
**December 7, 2017**  
**6:30 PM**

1. **ROLL CALL**

2. **READING OF MINUTES**

3. **REPORTS & COMMUNICATIONS FROM MAYOR & HEADS OF DEPARTMENTS AND INTERESTED PARTIES AND CITY CLERK'S NOTES:**

3.A TAX ASSESSOR'S REPORT FOR HEARING DATE HELD DECEMBER 6, 2017.

[Tax Assessor's Report for 12-6-17.pdf](#)

3.B SINGLE TAX OFFICE CITY FUNDS DISTRIBUTED COMPARISON REPORT 2017-2016 YEAR TO DATE NOVEMBER 30, 2017.

[Single Tax Office City Funds Distributed November 2017-2016.pdf](#)

3.C STREET LIGHT PETITION APPROVAL FOR INSTALLATION 1800 BLOCK CUSICK AVENUE.

[Street Light Approval for 1800 block Cusick Avenue.pdf](#)

3.D STREET LIGHT PETITION APPROVAL FOR INSTALLATION 2200 BLOCK KELLY AVENUE.

[Street Light Approval for 2200 block Kelly Avenue.pdf](#)

4. **CITIZENS PARTICIPATION**

5. INTRODUCTION OF ORDINANCES, RESOLUTIONS, APPOINTMENT AND/OR RE-APPOINTMENTS TO BOARDS & COMMISSIONS MOTIONS & REPORTS OF COMMITTEES:

5.A MOTIONS

5.B NO BUSINESS AT THIS TIME.

6. CONSIDERATION OF ORDINANCES - READING BY TITLE

6.A READING BY TITLE - FILE OF THE COUNCIL NO. 134, 2017 - AN ORDINANCE - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPROVE THE TRANSFER OF TWO MILLION (\$2,000,000.00) DOLLARS FROM ACCOUNT NO. 01.101031 (FNCB BANK-SEWER CLEARING ACCOUNT) TO ACCOUNT NO. 01.100000 (PNC BANK-GENERAL FUND ACCOUNT) FOR THE NECESSARY CAPITAL BUDGET FUNDING FOR 2018.

[Ordinance-2017 Transfer \\$2 million for Capital Budget Funding 2018.pdf](#)

6.B READING BY TITLE - FILE OF THE COUNCIL NO. 135, 2017 - AN ORDINANCE - APPROVING THE TRANSFER OF A RESTAURANT LIQUOR LICENSE OWNED BY CBTB, LLC, D/B/A CORNER BISTRO CURRENTLY IN SAFE KEEPING WITH THE PENNSYLVANIA LIQUOR CONTROL BOARD FORMERLY USED AT 76-78 SOUTH MAIN STREET, CARBONDALE, LACKAWANNA COUNTY, PENNSYLVANIA, 18407 FOR USE AT 429 NORTH MAIN AVENUE, SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, 18504 AS REQUIRED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.

[Ordinance-2017 Transfer Liquor License 429 North Main Avenue.pdf](#)

- 6.C READING BY TITLE - FILE OF THE COUNCIL NO. 136, 2017 - AN ORDINANCE - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO ALLOCATE \$250,000 FROM ECONOMIC DEVELOPMENT FUNDS ON A MATCHING BASIS TO SCRANTON TOMORROW TO FURTHER THE PROSPECTS OF ECONOMIC REVITALIZATION IN THE DOWNTOWN SECTION OF THE CITY OF SCRANTON.

[Ordinance-2017 Allocate \\$250K to Scranton Tomorrow.pdf](#)

- 6.D READING BY TITLE - FILE OF THE COUNCIL NO. 137, 2017 - AN ORDINANCE - ESTABLISHING A "NO PARKING ZONE" ALONG THE NORTHERLY SIDE OF GREEN RIDGE ST (S.R.6011) BEGINNING APPROXIMATELY 150 FEET WEST FROM ITS INTERSECTION WITH PENN AVENUE AND CONTINUING 80 FEET TO ALLOW FOR SIGHT DISTANCE FOR A PROPOSED DRIVEWAY BY MR. GEORGE JENKINS FOR A PROPERTY LOCATED AT 921 GREEN RIDGE ST.

[Ordinance-2017 No Parking Zone Green Ridge Street.pdf](#)

- 6.E READING BY TITLE - FILE OF THE COUNCIL NO. 138, 2017 - AN ORDINANCE - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A PENSION TRUST AGREEMENT WITH THE COMPOSITE PENSION BOARD TO HOLD APPROXIMATELY \$22,910,531.56 OF THE PROCEEDS FROM THE SALE OF THE ASSETS OF THE SCRANTON SEWER AUTHORITY IN TRUST UNTIL SUCH TIME AS PENSION REFORMS HAVE BEEN ENACTED.

[Ordinance-2017 Pension Trust Agreement.pdf](#)

## 7. FINAL READING OF RESOLUTIONS AND ORDINANCES

- 7.A FOR CONSIDERATION BY THE COMMITTEE ON FINANCE - FOR ADOPTION - FILE OF THE COUNCIL NO. 128, 2017 - AMENDING FILE OF THE COUNCIL NO. 6, 1976 ENTITLED "AN ORDINANCE (AS AMENDED) IMPOSING A TAX FOR GENERAL REVENUE PURPOSES ON THE TRANSFER OF REAL PROPERTY SITUATE WITHIN THE CITY OF SCRANTON; PRESCRIBING AND REGULATING THE METHOD OF EVIDENCING THE PAYMENT OF SUCH TAX; CONFERRING POWERS AND IMPOSING DUTIES UPON CERTAIN PERSONS, AND PROVIDING PENALTIES", BY IMPOSING THE RATE OF THE REALTY TRANSFER TAX AT TWO AND TWO TENTHS PERCENT (2.2%) FOR CALENDAR YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND

EFFECT ANNUALLY THEREAFTER.

[Ordinance-2017 Realty Transfer Tax 2018.pdf](#)

- 7.B FOR CONSIDERATION BY THE COMMITTEE ON FINANCE - FOR ADOPTION - FILE OF THE COUNCIL NO. 129, 2017 - AMENDING FILE OF THE COUNCIL NO. 7, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) IMPOSING A MERCANTILE LICENSE TAX OF 2 MILLS FOR THE YEAR 1976 AND ANNUALLY THEREAFTER UPON PERSONS ENGAGING IN CERTAIN OCCUPATIONS AND BUSINESSES THEREIN; PROVIDING FOR ITS LEVY AND COLLECTION AND FOR THE ISSUANCE OF MERCANTILE LICENSES; CONFERRING AND IMPOSING POWERS AND DUTIES UPON THE TAX COLLECTOR OF THE CITY OF SCRANTON; AND IMPOSING PENALTIES", BY IMPOSING THE MERCANTILE LICENSE TAX AT ONE (1) MILL (.001) FOR CALENDAR YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.

[Ordinance-2017 Mercantile License Tax 2018.pdf](#)

- 7.C FOR CONSIDERATION BY THE COMMITTEE ON FINANCE - FOR ADOPTION - FILE OF THE COUNCIL NO. 130, 2017 - AMENDING FILE OF THE COUNCIL NO. 8, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) PROVIDING FOR THE GENERAL REVENUE BY IMPOSING A TAX AT THE RATE OF TWO (2) MILLS UPON THE PRIVILEGE OF OPERATING OR CONDUCTING BUSINESS IN THE CITY OF SCRANTON AS MEASURED BY THE GROSS RECEIPTS THEREFROM; REQUIRING REGISTRATION AND PAYMENT OF THE TAX AS CONDITION TO THE CONDUCTING OF SUCH BUSINESS; PROVIDING FOR THE LEVY AND COLLECTION OF SUCH TAX; PRESCRIBING SUCH REQUIREMENTS FOR RETURNS AND RECORDS; CONFERRING POWERS AND DUTIES UPON THE TAX COLLECTOR; AND IMPOSING PENALTIES", BY IMPOSING THE BUSINESS PRIVILEGE TAX AT THE RATE OF ONE (1) MILL (.001) FOR CALENDAR YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.

[Ordinance-2017 Business Privilege Tax 2018.pdf](#)

- 7.D FOR CONSIDERATION BY THE COMMITTEE ON FINANCE - FOR ADOPTION - FILE OF THE COUNCIL NO. 131, 2017 - AMENDING FILE OF THE COUNCIL NO. 11, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) ENACTING, IMPOSING A TAX FOR GENERAL REVENUE PURPOSES IN THE AMOUNT OF TWO PERCENT (2%) ON EARNED INCOME AND NET PROFITS ON PERSONS, INDIVIDUALS, ASSOCIATIONS AND BUSINESSES WHO ARE RESIDENTS OF THE CITY OF SCRANTON, OR NON-RESIDENTS OF THE CITY OF SCRANTON, FOR WORK DONE, SERVICES PERFORMED OR BUSINESS CONDUCTED WITHIN THE CITY OF SCRANTON, REQUIRING THE FILING OF RETURNS BY TAXPAYERS SUBJECT TO THE TAX; REQUIRING EMPLOYERS TO COLLECT THE TAX AT SOURCE; PROVIDING FOR THE ADMINISTRATION, COLLECTION AND ENFORCEMENT OF THE SAID TAX; AND IMPOSING PENALTIES FOR THE VIOLATIONS", BY RE-ENACTING THE IMPOSITION OF THE WAGE TAX AT TWO AND FOUR TENTHS (2.4%) PERCENT ON EARNED INCOME FOR RESIDENTS AND ONE (1%) PERCENT ON EARNED INCOME FOR NON-RESIDENTS OF THE CITY OF SCRANTON, FOR WORK DONE, SERVICES PERFORMED OR BUSINESS CONDUCTED WITHIN THE CITY OF SCRANTON FOR THE YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.

[Ordinance-2017 Earned Income Tax 2018.pdf](#)

- 7.E FOR CONSIDERATION BY THE COMMITTEE ON FINANCE - FOR ADOPTION - FILE OF THE COUNCIL NO. 132, 2017 - AMENDING FILE OF THE COUNCIL NO. 78, 2017, AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 100, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) LEVYING GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 1977", BY SETTING THE MILLAGE FOR THE YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER BY AMENDING SECTION 1 REVERTING BACK TO THE MILLAGE RATES FROM 2016 WHICH ARE .232521 MILLS LEVY ON LAND AND .050564 LEVY ON ALL BUILDINGS AND BY ELIMINATING THE DEDICATED MILLAGE FOR DEBT SERVICE CONTAINED IN SECTION 2 AND REPLACING THE DEDICATED MILLAGE FOR DEBT SERVICE WITH A DEDICATED DEBT PERCENTAGE OF 32% OF REAL ESTATE TAX REVENUES COLLECTED ON A CURRENT YEAR BASIS.

[Ordinance-2017 Millage 2018.pdf](#)

- 7.F FOR CONSIDERATION BY THE COMMITTEE ON FINANCE - FOR ADOPTION - FILE OF THE COUNCIL NO. 133, 2017 - CREATING AND ESTABLISHING SPECIAL CITY ACCOUNT NO. 02.229623 ENTITLED "STREET PAVING" FOR THE RECEIPT AND DISTRIBUTION OF FUNDS FROM THE DEFEASANCE OF THE 2012 SERIES A AND B BONDS WITH SEWER SALE PROCEEDS AND DISTRIBUTION OF THE FUNDS FOR PAVING STREETS THROUGHOUT THE CITY OF SCRANTON.

[Ordinance-2017 Special City Account for Street Paving.pdf](#)

- 7.G FOR CONSIDERATION BY THE COMMITTEE ON COMMUNITY DEVELOPMENT - FOR ADOPTION - RESOLUTION NO. 211, 2017 - ACCEPTING THE RECOMMENDATION OF THE HISTORICAL ARCHITECTURE REVIEW BOARD ("HARB") AND APPROVING THE CERTIFICATE OF APPROPRIATENESS FOR LOCKER GENERAL CONSTRUCTION, P.O. BOX 206, OLYPHANT, PA, 18447, TO INSTALL A DIGITAL BILLBOARD, WHICH ROUGHLY MEASURES 8 FEET HIGH BY 23 FEET WIDE, BETWEEN THE SECOND AND THIRD FLOORS AND A PAINTED SIGN ABOVE THE DIGITAL BILLBOARD COMPARABLE TO BITTENBENDER'S SIGNAGE, SITUATED AT 134 FRANKLIN AVENUE, SCRANTON, PA 18503.

[Resolution-2017 HARB Digital Billboard 134 Franklin Avenue.pdf](#)

- 7.H FOR CONSIDERATION BY THE COMMITTEE ON RULES - FOR ADOPTION - RESOLUTION NO. 212, 2017 - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A MASTER LEASE AGREEMENT BETWEEN THE CITY OF SCRANTON, HEREINAFTER DESIGNATED ("LESSOR") AND NEW CINGULAR WIRELESS PCS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, WITH ITS PRINCIPAL OFFICES AT 575 MOROSGO DRIVE, ATLANTA, GA 30324, HEREINAFTER DESIGNATED ("LESSEE") TO LEASE SPACE TO LESSEE WITH RESPECT TO PARTICULAR SITES AT WHICH LESSEE WISHES TO INSTALL, MAINTAIN, AND OPERATE, SMALL CELL COMMUNICATIONS EQUIPMENT, AS WELL AS ANY AND ALL NECESSARY LEASE SUPPLEMENTS OUTLINED HEREIN.

[Resolution-2017 Master Lease Agreement New Cingular Wireless PCS.pdf](#)

- 7.I FOR CONSIDERATION BY THE COMMITTEE ON RULES - FOR ADOPTION - RESOLUTION NO. 213, 2017 - APPOINTMENT OF CHRISTE A. CASCIANO, SR., 301 NORTON AVENUE, SCRANTON, PENNSYLVANIA, 18504 AS BUSINESS ADMINISTRATOR EFFECTIVE NOVEMBER 20, 2017. MR. CASCIANO WILL BE REPLACING DAVID BULZONI WHO RESIGNED AS BUSINESS ADMINISTRATOR.

[Resolution-2017 Appt. Christe Casciano as Business Administrator.pdf](#)

- 7.J FOR CONSIDERATION BY THE COMMITTEE ON RULES - FOR ADOPTION - RESOLUTION NO. 214, 2017 - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A COLLECTIVE BARGAINING AGREEMENT WITH LOCAL LODGE 2305 OF THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF A MEMORANDUM OF UNDERSTANDING RATIFIED BY THE MEMBERSHIP.

[Resolution-2017 CBA IAMAW 2305 DPW.pdf](#)

- 7.K FOR CONSIDERATION BY THE COMMITTEE ON RULES - FOR ADOPTION - RESOLUTION NO. 215, 2017 (AS AMENDED) - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH HIGHMARK BLUE CROSS BLUE SHIELD TO PROVIDE MEDICAL CLAIMS ADMINISTRATIVE SERVICES TO THE CITY OF SCRANTON FOR THE PERIOD JANUARY 1, 2018 THROUGH DECEMBER 31, 2020.

[Resolution-2017 Contract Highmark Blue Cross Blue Shield.pdf](#)

## 8. ADJOURNMENT

**TAX ASSESSOR'S REPORT**

Hearing Date: 12/06/17

Time	Name	Boro/Twp.	Pin Number	Attorney	Proposed/Current Assessed Value	After Appeal Value
12:20 PM	LINCOLN BUSINESS SOLUTIONS LL	OLYPHANT	1141106000106		30000	
12:25 PM	TOLERICO, SERAFINE & KAREN	CARBONDALE CITY	0441201000705		35500	
12:30 PM	VOSEFSKI WALTER & JEANNE	CARBONDALE TWP	0530401000202	WALTER CASPER	2700	2700
12:40 PM	MANCUS JAMES & MARILYN D	GREENFIELD	01411040017		47000	
12:45 PM	ARCHER DARREN & DANA	MOOSIC	18517010014		59800	
12:55 PM	RAINEY PAUL & BLANCA	MOOSIC	1850102001085		56500	
1:00 PM	VERRASTRO VICTORIA	MOOSIC	18601C0N01209		29500	
1:10 PM	HOTALING JODI & A J & ETAL	DICKSON CITY	11312050028	MICHAEL KRUSHINSKI	1000	
1:15 PM	BURKE TERRENCE J & EILEEN F	JEFFERSON TWP	13802020015	PATRICK COLEMAN	61500	
1:25 PM	SMITH HAROLD JR & REGINA A	JEFFERSON TWP	1510101001077		46500	
1:30 PM	L G & H REALTY LLC	CARBONDALE TWP	05420010004		29000	
1:40 PM	DICK GREGORY	JESSUP	10418030007		6000	
1:45 PM	PERROTTI MAUREEN T	MOOSIC	18601C0N01210		29500	
1:55 PM	500 LACKAWANNA DEVELOPMENT	SCRANTON	15643010008	WILLIAM RINALDI	93600	
2:00 PM	500 LACKAWANNA DEVELOPMENT	SCRANTON	15643010001	WILLIAM RINALDI	48250	
2:10 PM	BILYK PETER	ROARING BROOK	16001020001		40000	
2:15 PM	HUGHES CHARLES R & KATHLEEN	COVINGTON TWP	2050204000137	JOSEPH HAGGERTY	76500	
2:25 PM	KURILLA PATRICK & BROOKE	ROARING BROOK	1700101000197	GUY VALVANO	59000	
2:30 PM	ROMANASKAS RYAN & KORDISH K	ROARING BROOK TWP	1700101001159		59000	
2:45 PM	BETTELLI ANDREW	NEWTON	11904010003	PATRICK LAVELLE	46200	
2:55 PM	NEWKIRK JASON A & EUNJIN	RANSOM	1330102000601		25400	
3:00 PM	SIEBECKER KEVIN & DANAN M	SOUTH ABINGTON TWP	0810308000622		89800	
3:10 PM	MCALLISTER JAMES & LINDA	COVINGTON TWP	22704030013		35500	
3:15 PM	LAMO RALPH & ROBBIN	COVINGTON	2260201000137		78500	
3:25 PM	JULIUS ERNEST L & GRECO KAREN	WAVERLY TWP	09001060002		38000	
3:30 PM	PAGLIANITE SAMUEL J & MARGIE A	MOOSIC	1930201001002		21000	

3:35 LAND BANK ETAL (16)

TOTAL RECORDS 26

RECEIVED

NOV 29 2017

OFFICE OF CITY COUNCIL/CITY CLERK

**SINGLE TAX OFFICE  
CITY FUNDS DISTRIBUTED  
COMPARISON 2017 - 2016**

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	<u>YTD</u> <u>11/30/2017</u>	<u>YTD</u> <u>11/30/2016</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Increase</u> <u>(Decrease)</u>
Real Estate	\$29,257,223.83	\$29,523,269.93	(\$266,046.10)	-0.9%
Delinquent Real Estate	\$1,525,045.52	\$1,413,934.17	\$111,111.35	7.9%
LST/EMS	\$4,942,078.33	\$4,761,119.20	\$180,959.13	3.8%
Bus Priv/Merc	\$2,543,686.31	\$2,339,815.97	\$203,870.34	8.7%
<b>TOTALS</b>	<b>\$38,268,033.99</b>	<b>\$ 38,038,139.27</b>	<b>\$229,894.72</b>	

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NOV 30 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

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DEC - 1 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK



**BUREAU OF ENGINEERING**

101 WEST POPLAR STREET • SCRANTON, PENNSYLVANIA 18508 • PHONE: 570-348-4180 • FAX: 570-348-0197

**MEMORANDUM – VIA EMAIL**

**TO:** Lori Reed, City Clerk  
Council of the City of Scranton  
340 North Washington Avenue  
Scranton, Pennsylvania 18503

**FROM:**  John J. Pocius, P.E., P.L.S., City Engineer  
LaBella Associates

**DATE:** December 1, 2017

**RE:** *1800 Block Cusick Avenue  
Street Light Request*

As requested in your letter dated November 8, 2017 we performed an onsite evaluation at 1800 Block Cusick Avenue to determine if a street light is warranted. Based on our assessment and our professional engineering experience and judgment, in the interest of public safety, we recommend that a new street light be installed on pole #57158/N47207. Please coordinate this installation with the appropriate parties.

If there are any questions on this matter, do not hesitate to contact our office at (570) 342-3101.

JJP/lmz

Z:2011 prj. 12-01-17-2017- Memo-Reed-street light request 1800 block Cusick Avenue

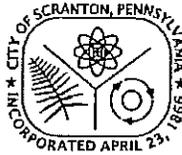
C Dennis Gallagher, Director, Department of Public Works  
QA/QC C. File

# Council of the City of Scranton

340 No. Washington Avenue • Scranton, Pennsylvania 18503 • Telephone (570) 348-4113 • Fax (570) 348-4207

Lori Reed  
City Clerk

Amil Minora, Esq.  
Counsel



Joseph Wechsler, President  
Pat Rogan, Vice President  
William Gaughan  
Wayne Evans  
Timothy Perry

November 8, 2017

Mr. John J. Pocius, P.E., P.L.S.  
City Engineer  
LaBella Associates  
1000 Dunham Drive, Suite B  
Dunmore, PA 18512

Dear Mr. Pocius:

Enclosed please find a petition from residents living in the vicinity of the 1800 block of Cusick Avenue who are requesting to have a street light installed on PPL Pole No. 57158/N47207

Please evaluate this area to see if lighting is warranted and advise Council's office and DPW Director Dennis Gallagher of your findings and recommendation.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me at 570-348-4113.

Sincerely,

Lori Reed  
City Clerk

Enclosure

cc: David Osborne, P.E. w/enclosure ✓  
Dennis Gallagher, DPW Director w/o enclosure  
Scranton City Council

11/28/17  
O/L

**Street Light Petition**

We the undersigned residents and taxpayers residing at 1820 Cusick Ave Scr Pa 18508  
 (Vicinity)  
 of the City of Scranton, PA respectfully petition your Honorable Body to provide for the  
 replacement/new installation of an electric street light at corner of 1820 Cusick Ave Scr Pa 18508  
 on Pennsylvania Power & Light Company Pole No. 57158 N47207  
 (10 Digit Number starting with "5")

Contact Person Circulating Petition: DIANE MURRAY  
 (Name)  
1820 CUSICK AVE SCR PA 18508  
 (Address)

Phone Number: 570.309.9702

NAME	ADDRESS
<u>Diane Murray</u>	<u>1820 Cusick Ave Scr Pa.</u>
<u>Harold Murray</u>	<u>1820 Cusick Ave Scr Pa.</u>
<u>Tom Bigop</u>	<u>2121 Pittston Ave Scr Pa</u>
<u>John Bire</u>	<u>2121 Pittston Ave Scr Pa</u>
<u>Scott Spyla / Scott Spyla</u>	<u>1812 Cusick Ave Scr PA</u>
<u>Chris Field</u>	<u>1834 CUSICK AVE SCR PA</u>
<u>Don Young</u>	<u>1813 C.U.S. 1A Ave Scr PA</u>
<u>Alameda Dymke</u>	<u>1815 CUSICK AVE SCRANTON PA</u>
<u>Sean McEwen</u> <small>Scranton</small>	<u>1816 Cusick Ave, Scranton Pa.</u>
<u>Michelle Hall</u>	<u>1820 CUSICK AVE SCRANTON PA.</u>
<u>Jesse Cooper</u>	<u>1820 CUSICK AVE, SCRANTON PA.</u>
<u>Aldou Bello</u>	<u>1825 CUSICK AVE SCRANTON PA</u>
<u>Evangelina Bello</u>	<u>1825 CUSICK AVE SCRANTON PA.</u>
<u>Jasmine Bello</u>	<u>1825 CUSICK AVE SCRANTON PA</u>
<u>Angel Bello</u>	<u>1825 CUSICK AVE SCRANTON PA</u>
<u>Kevin Dymke</u>	<u>1815 Cusick Ave Scranton PA</u>
<u>Chris Spyla</u>	<u>1835 CUSICK AVE SCRANTON PA</u>
<u>JAMES TASSEY</u>	<u>1809 Cusick Ave Scranton PA</u>
<u>Maurie Tassej</u>	<u>1809 Cusick Ave: Scranton PA</u>
<u>ARLENE TASSEY</u>	<u>1804 CUSICK AVE SCRANTON PA.</u>
<u>Debbie Webb</u>	<u>1122 Blaine Ave Scr. Pa 18508</u>
<u>Francis Murray</u>	<u>1820 Cusick Ave Scranton PA</u>
<u>Rich Sweeney</u>	<u>1812 Cusick Ave Scranton, Pa</u>
<u>Steve Spyla</u>	<u>1812 Cusick Ave Scranton, Pa</u>
<u>Kyle Bigop</u>	<u>1820 Cusick Ave Scranton Pa</u>

Remarks:

Can you please consider this light because it is an extreme safety issue the area is in complete darkness at night.

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DEC - 1 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK



**BUREAU OF ENGINEERING**

101 WEST POPLAR STREET • SCRANTON, PENNSYLVANIA 18508 • PHONE: 570-348-4180 • FAX: 570-348-0197

**MEMORANDUM – VIA EMAIL**

**TO:** Lori Reed, City Clerk  
Council of the City of Scranton  
340 North Washington Avenue  
Scranton, Pennsylvania 18503

**FROM:**  John J. Pocius, P.E., P.L.S., City Engineer  
LaBella Associates

**DATE:** December 1, 2017

**RE:** *2216 Kelly Avenue  
Street Light Request*

As requested in your letter dated November 13, 2017 we performed an onsite evaluation at 2216 Kelly Avenue to determine if a street light is warranted. Based on our assessment and our professional engineering experience and judgment, in the interest of public safety, we recommend that a new street light be installed on pole #57284/N47327. Please coordinate this installation with the appropriate parties.

If there are any questions on this matter, do not hesitate to contact our office at (570) 342-3101.

JJP/lmz

Z:2011 pj. 12-01-17- Memo-Reed-street light request 2216 Kelly Avenue

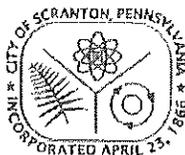
C Dennis Gallagher, Director, Department of Public Works  
QA/QC C. File

# Council of the City of Scranton

340 No. Washington Avenue • Scranton, Pennsylvania 18503 • Telephone (570) 348-4113 • Fax (570) 348-4207

Lori Reed  
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Amil Minora, Esq.  
Counsel



Joseph Wechsler, President  
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William Gaughan  
Wayne Evans  
Timothy Perry

November 13, 2017

Mr. John J. Pocius, P.E., P.L.S.  
City Engineer  
LaBella Associates  
1000 Dunham Drive, Suite B  
Dunmore, PA 18512

11/28/17

Dear Mr. Pocius:

OK

Enclosed please find a petition from residents living in the vicinity of the 2216 Kelly Avenue who are requesting to have a street light installed on RPL Pole No. 57284/N47327.

Please evaluate this area to see if lighting is warranted and advise Council's office and DPW Director Dennis Gallagher of your findings and recommendation.

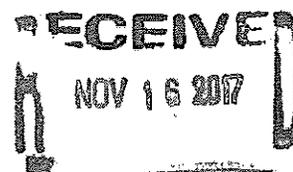
Thank you for your assistance in this matter. If you have any questions, please feel free to contact me at 570-348-4113.

Sincerely,

Lori Reed  
City Clerk

Enclosure

cc: David Osborne, P.E. w/enclosure  
Dennis Gallagher, DPW Director w/o enclosure  
Scranton City Council





FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPROVE THE TRANSFER OF TWO MILLION (\$2,000,000.00) DOLLARS FROM ACCOUNT NO. 01.101031 (FNCB BANK-SEWER CLEARING ACCOUNT) TO ACCOUNT NO. 01.100000 (PNC BANK-GENERAL FUND ACCOUNT) FOR THE NECESSARY CAPITAL BUDGET FUNDING FOR 2018.**

WHEREAS, it is in the best interest of the City that these funds be transferred to provide the necessary funding for the Capital Budget funding for 2018.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate city officials approve the transfer funds as follows:

**FROM:**

ACCOUNT NO.	AMOUNT
01.101031 FNCB Bank Sewer Clearing Account	\$2,000,000.00
<b>TOTAL FROM . . . . .</b>	<b>\$2,000,000.00</b>

**TO:**

01.100000 PNC Bank General Fund Account	\$2,000,000.00
<b>TOTAL TO . . . . .</b>	<b>\$2,000,000.00</b>

The purpose of this transfer is to provide the necessary Capital Budget funding for 2018.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 16, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

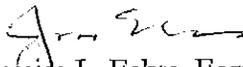
NOV 17 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPROVE THE TRANSFER OF TWO MILLION (\$2,000,000.00) DOLLARS FROM ACCOUNT NO. 01.101031 (FNCB BANK-SEWER CLEARING ACCOUNT) TO ACCOUNT NO. 01.100000 (PNC BANK-GENERAL FUND ACCOUNT) FOR THE NECESSARY CAPITAL BUDGET FUNDING FOR 2018.

Respectfully,

  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

**AN ORDINANCE**

**APPROVING THE TRANSFER OF A RESTAURANT LIQUOR LICENSE OWNED BY CBTB , LLC, D/B/A CORNER BISTRO CURRENTLY IN SAFE KEEPING WITH THE PENNSYLVANIA LIQUOR CONTROL BOARD FORMERLY USED AT 76-78 SOUTH MAIN STREET, CARBONDALE, LACKAWANNA COUNTY, PENNSYLVANIA, 18407 FOR USE AT 429 NORTH MAIN AVENUE, SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, 18504 AS REQUIRED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.**

**WHEREAS**, the Pennsylvania Liquor Control Board (“PLCB”) requires that the governing body of a municipality pass legislation approving an inter-municipal transfer of a liquor license when a municipality has met its quota of liquor licenses; and

**WHEREAS**, Rupal Patel, Individually, wishes to transfer Lackawanna County Restaurant Liquor License No. R-1868 owned by CBTB, LLC d/b/a Corner Bistro currently in safekeeping with the Pennsylvania Liquor Control Board, formerly used at 76-78 South Main Street, Carbondale, Lackawanna County, Pennsylvania to the City of Scranton to operate a beer and cigarette shop at the premises located at 429 North Main Avenue, Scranton, Lackawanna County, Pennsylvania; and

**WHEREAS**, the Council of the City of Scranton approves the transfer of this license subject to its authority regarding inter-municipal transfers and subject to public comment on the same.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON** that the inter-municipal transfer request of Rupal Patel, Individually, wishes to transfer Lackawanna County Restaurant Liquor License No. R-1868 owned by CBTB, LLC d/b/a Corner Bistro, currently in safekeeping with the Pennsylvania Liquor Control Board formerly used at 76-78 South Main Street, Carbondale, Lackawanna County, Pennsylvania to the City of Scranton for use at 429 North Main Avenue, Scranton, Pennsylvania is hereby approved.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or

---

any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Option Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.

**TOCZYDLOWSKI  
LAW OFFICE**

JOSEPH S. TOCZYDLOWSKI, JR., ATTORNEY  
JOAN GUARI, ATTORNEY  
STEPHANIE M. SEBASTIANELLI, ATTORNEY  
JASON B. REEVES, ATTORNEY  
392 North Main Street  
ARCHBALD, PENNSYLVANIA 18403  
TELEPHONE 570.876.3779  
FACSIMILE 570.876.6636

October 3, 2017

***Via Facsimile 570-348-4263 and E-mail [slocker@scrantonpa.gov](mailto:slocker@scrantonpa.gov)***

Attention: Sally Locker  
Jessica Boyles, Esquire  
Scranton City Solicitor  
340 North Washington Avenue  
Scranton, Pennsylvania 18503

***RE: Inter-Municipal Transfer of Liquor License***

Dear Attorney Boyles:

Kindly be advised that I represent the interests of Vedrish Realty, LLC. Vedrish Realty, LLC owns real estate located at 429 North Main Avenue, Scranton, Pennsylvania 18504. It is the intent and desire of Vedrish Realty, LLC, to transfer a liquor license to the property at the address listed above. For informational purposes be advised as to the following:

1. Vedrish Realty, LLC, is a single member LLC owned by 100% by Rupal Patel with an address of 210 Hawks Nest Road, East Stroudsburg, PA;
2. The premises at 429 North Main Avenue, Scranton, Pennsylvania was a former Wendy's premises which my clients have recently purchased. Their intent is to put a beer and cigarette shop at this facility;
3. The liquor license is currently in safekeeping with the Pennsylvania Liquor Control Board; and
4. The liquor license is owned by CBTB, LLC, d/b/a Corner Bistro interest and is identified as R-1868/LID67765; and
5. The Pennsylvania Liquor Control Board lists the managing member of CBTB, LLC as Cynthia Spreeman.

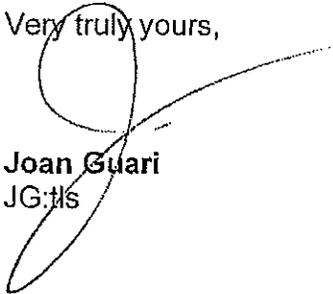
It is my understanding the procedure for the City of Scranton is that I provide this information to your office. Thereafter, you will prepare a resolution for submission to the City Council. It is my further understanding that you must

present this information no later than Thursday, October 5, 2017, for purposes of being introduced at the meeting set for October 12, 2017.

Should you have any further questions or concerns, please do not hesitate to contact our office.

Thank you.

Very truly yours,



**Joan Guari**  
JG:tlb

**TOCZYDLOWSKI  
LAW OFFICE**

JOSEPH S. TOCZYDLOWSKI, JR., ATTORNEY  
JOAN GUARI, ATTORNEY  
STEPHANIE M. SEBASTIANELLI, ATTORNEY  
JASON B. REEVES, ATTORNEY  
392 North Main Street  
ARCHBALD, PENNSYLVANIA 18403  
TELEPHONE 570.876.3779  
FACSIMILE 570.876.6636

October 10, 2017

***Via Facsimile 570-348-4263 and E-mail [slocker@scrantonpa.gov](mailto:slocker@scrantonpa.gov)***

Attention: Sally Locker  
Jessica Boyles, Esquire  
Scranton City Solicitor  
340 North Washington Avenue  
Scranton, Pennsylvania 18503

***RE: Inter-Municipal Transfer of Liquor License***

Dear Attorney Boyles:

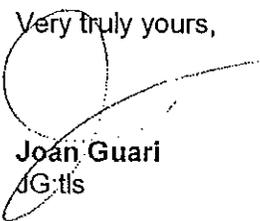
Kindly be advised that I have had an opportunity to review this matter with my client. By way of previous correspondence dated October 3, 2017, I had indicated that the owner of the liquor license was going to be Vedrish Realty, LLC, a single member entity owned by Rupal Patel. However, after further discussions and contemplation by my clients, it has been determined that the liquor license will be owned by Rupal Patel, individually. The information that I provided for the LLC pertaining to the address and responsible party all remain the same.

It is my understanding that this was the only additional information that you need to proceed with the liquor license with the resolution from the municipality. I was also aware that you were seeking additional information concerning the current owner of the liquor license and that information was sent in a separate e-mail.

Should you have any further questions or concerns, please do not hesitate to contact our office.

Thank you.

Very truly yours,

  
Joan Guari  
JG:tl



HOME

SHOPPING CART (1)

License Search / Data Export

Need Help?

[Search Again](#)

LID #	License Number	License Type	Premises / Location	Licensee	Status	Last Issued	Expires
<a href="#">67765</a>	R1868	Restaurant (Liquor)	CORNER BISTRO INTERESTS 76-78 S MAIN ST CARBONDALE PA 18407-2650	C B T B LLC	Safekeeping	Oct 2, 2017	Sep 30, 2018

Records found: 1

[Search Again](#)

Screen ID: 1535035

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Contact Us | 717.783.7637

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DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 16, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

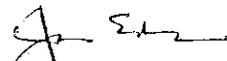
RECEIVED  
NOV 17 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE APPROVING THE TRANSFER OF A RESTAURANT LIQUOR LICENSE OWNED BY CBTB, LLC, D/B/A CORNER BISTRO CURRENTLY IN SAFE KEEPING WITH THE PENNSYLVANIA LIQUOR CONTROL BOARD FORMERLY USED AT 76-78 SOUTH MAIN STREET, CARBONDALE, LACKAWANNA COUNTY, PENNSYLVANIA, 18407 FOR USE AT 429 NORTH MAIN AVENUE, SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, 18504 AS REQUIRED BY THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Respectfully,

  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO ALLOCATE \$250,000 FROM ECONOMIC DEVELOPMENT FUNDS ON A MATCHING BASIS TO SCRANTON TOMMOROW TO FURTHER THE PROSPECTS OF ECONOMIC REVITALIZATION IN THE DOWNTOWN SECTION OF THE CITY OF SCRANTON.**

WHEREAS, the City of Scranton finalized the economic development strategy for the downtown section with assistance from the National Resource Network. This revitalization strategy was developed in two (2) phases: The initial phase created the downtown revitalization plan and identified the organizational strategy for execution, and phase two provided support through the creation of a task force to guide strategy implementation and assist in the development of a budget plan for execution; and

WHEREAS, Scranton Tomorrow has been designated as the organization which will execute the Downtown Revitalization Plan through coordination with the City of Scranton; and

WHEREAS, the proposed budget supporting the initial phase of the Scranton Tomorrow effort is attached with National Resource Network rationale explaining the strategy is based on a three (3) year implementation period and creates the foundation for the necessary support to form a Business Improvement District (BID).

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON** that the Mayor and other appropriate City Officials are hereby authorized to allocate \$250,000 from Economic Development Funds on a matching basis to Scranton Tomorrow to further the prospects of economic revitalization in the downtown section of the City of Scranton.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally

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enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.

# BUSINESS ADMINISTRATION



SCRANTON

City Hall  
340 North Washington Avenue  
Scranton, Pennsylvania 18503  
Tel: (570) 348-4118  
Fax: (570) 348-4225

November 2, 2017

## **Memo**

To: William Courtright, Mayor  
Jessica Boyles, Solicitor  
Lori Reed, City Clerk

From: David Bulzoni, Business Administrator

**Re: City of Scranton Downtown Economic Development Funding Strategy**

All,

The City of Scranton finalized the economic development strategy for the downtown section with assistance from the National Resource Network. This result of this assistance has been documented previously. This revitalization strategy was developed in two phases: The initial phase created the downtown revitalization plan and identified the organizational strategy for execution. Phase one was implemented through the creation of a five step plan, resulting in tangible recommendations for downtown revitalization. Phase two provided support through the creation of a task force to guide strategy implementation and assisted in the development of a budget for plan execution. Scranton Tomorrow was designated as the organization which will execute the City of Scranton Downtown Revitalization Plan. Scranton Tomorrow will coordinate efforts through close interaction with the City of Scranton, including the City's Office of Economic and Community Development, in executing the revitalization plan.

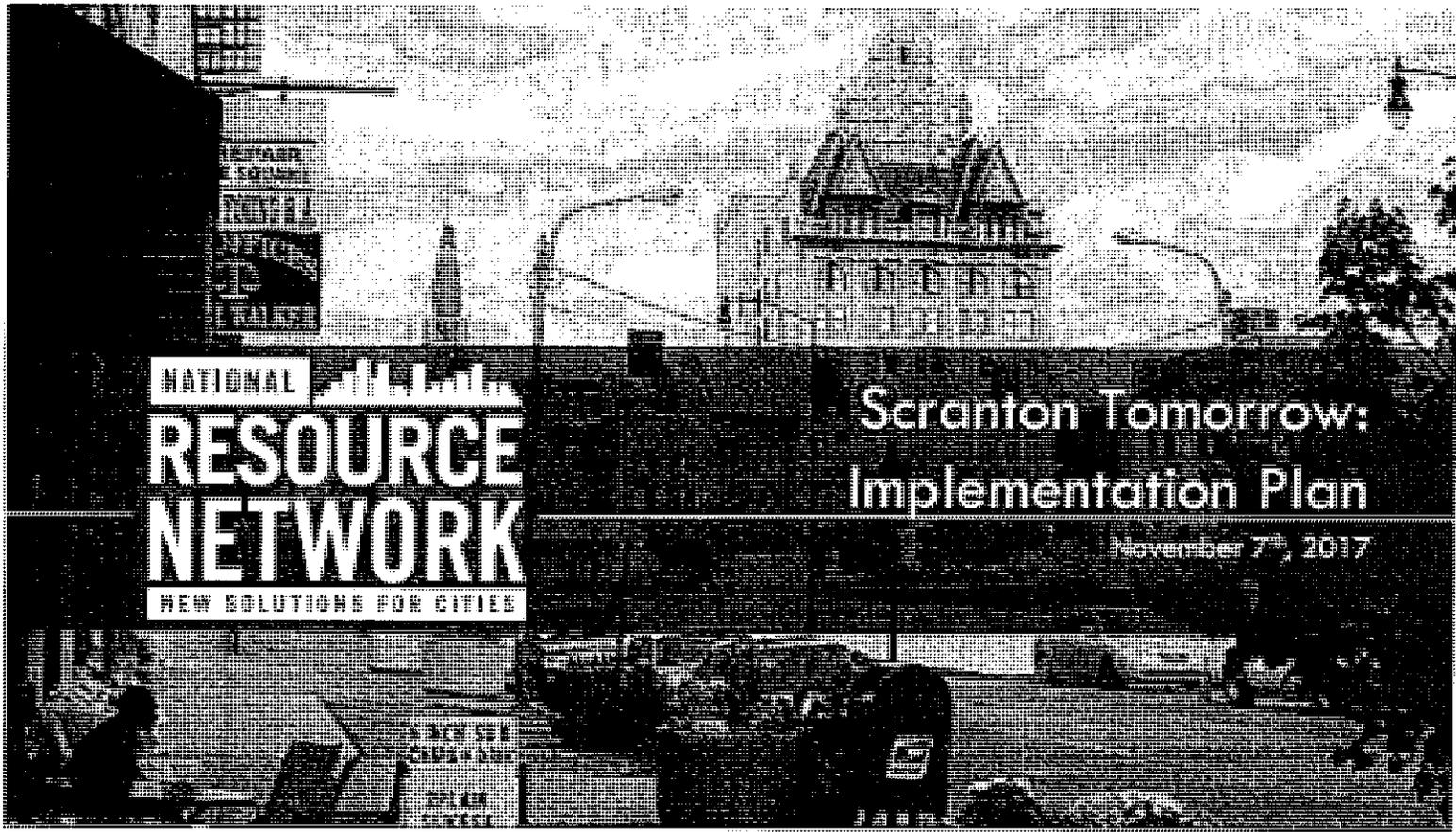
The proposed budget supporting the initial phase of the Scranton Tomorrow effort is attached with the National Resource Network rationale explaining the strategy. The budget is based on a three year implementation period and creates the foundation for the necessary support to form a Business Improvement District (BID). The initial funding will be received from three critical sources: grant funding, non-profit contributions, and an allocation from City of Scranton economic development funds isolated from the sewer asset sale. The amount identified from the asset sale for economic development is \$500,000.

The recommendation from the Office of Business Administration is to allocate \$250,000 from economic development funds on a matching basis to meet the initial funding requirement of Scranton Tomorrow. The University of Scranton has indicated a willingness to channel funds received by the City in lieu of taxes to support this initiative. Scranton

Tomorrow is seeking other non-profit contributions to assist with the revenue generation needed to support program implementation.

Therefore, the Office recommends approval of a \$250,000 allocation to Scranton Tomorrow from the aforementioned fund in support of a comparable matching amount as necessary support needed to execute the Downtown Revitalization Strategy. The City will also, upon approval of the annual operating budget, provide a \$75,000 contribution to Scranton Tomorrow to assist in furthering this execution strategy. This budget contribution is increased from the \$32,500 allocation in 2017.

**Much effort has been expended to develop a strategy critical to foster development in the City's downtown section. The allocation, as recommended, is a favorable amount to lever the expertise of Scranton Tomorrow to further the prospects of economic revitalization in the downtown section of the City of Scranton.**



NATIONAL   
**RESOURCE  
 NETWORK**  
 NEW SOLUTIONS FOR CITIES

# Scranton Tomorrow: Implementation Plan

November 7<sup>th</sup>, 2017

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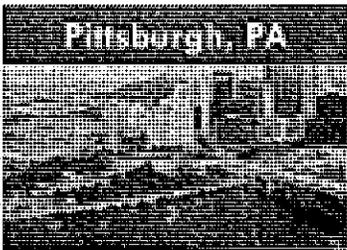
# TABLE OF CONTENTS

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Scranton Tomorrow's Implementation Plan	8
Scranton Tomorrow Budget Justification Memo	17
Scranton Tomorrow Detailed Budget	26

# SCRANTON TOMORROW'S VALUE PROPOSITION

## CIVIC ORGANIZATIONS ARE TOOLS FOR REVITALIZATION



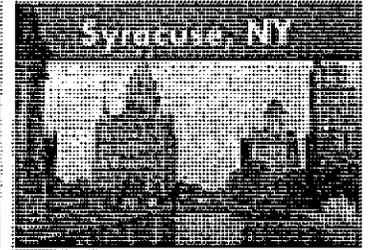
PITTSBURGH, PA  
PITTSBURGH DOWNTOWN  
PARTNERSHIP



CHATTANOOGA, TN  
RIVER CITY COMPANY



LANCASTER, PA  
THE LANCASTER CITY ALLIANCE



SYRACUSE, NY  
THE DOWNTOWN COMMITTEE

**Budget:** \$4.7 million

\$3.2 million

\$1.5 million

\$1.1 million

**Staff:** 15

8

7

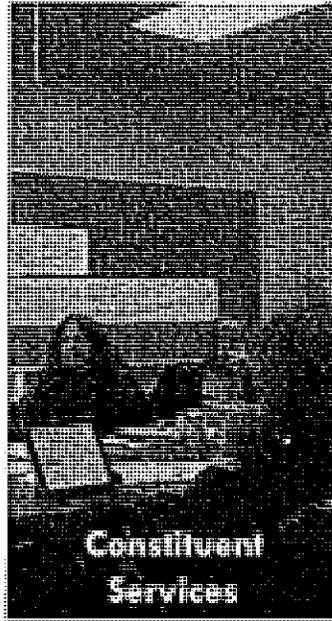
12

Nonprofit civic organizations, such as a BID, are **successful tools for aligning community resources** to change current conditions, attract economic development, and revitalize downtown districts.

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## TRADITIONAL PILLARS OF A BID

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The National Resource Network; HR&A Advisors, Inc.

Scranton Tomorrow Implementation Plan | November 7, 2017 | 5

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## VALUE OF A NONPROFIT CIVIC ORGANIZATION

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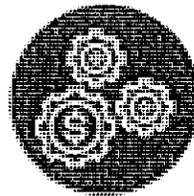
Beyond the four pillars of a BID, a fully operational nonprofit civic organization is essential to the economic revitalization of Scranton and downtown in four essential ways.



LEADERSHIP



PARTNERSHIPS



RESOURCES



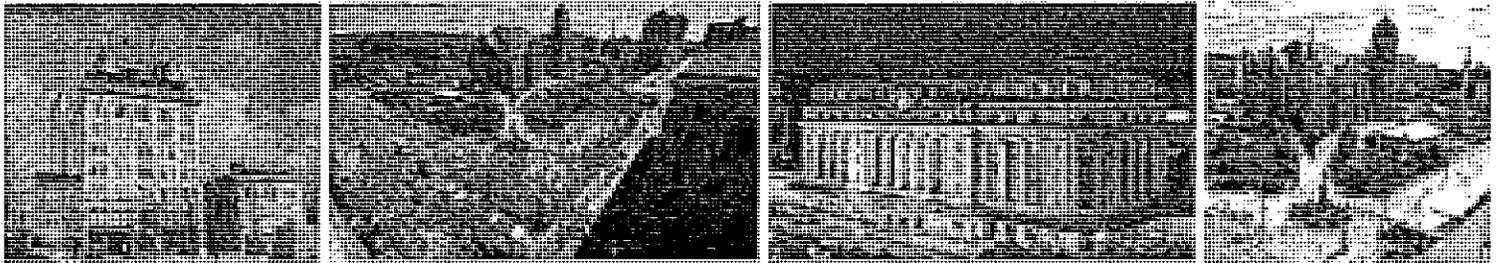
FLEXIBILITY

**An active and effective civic organization is a valuable tool that provides leadership, create conditions for multi-sector partnerships, secures resources, and uses a flexible approach for improving the competitiveness of downtown Scranton.**

---

## THE NEED FOR PARTNERSHIP

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Transforming Downtown is a key component in the revitalization of Scranton's economy, which requires dedicated partnership among Scranton Tomorrow, the City, and its anchor institutions. **Key support involves building capacity at both organizations, including dedicating a City staff member to be the point person for downtown, as well as long-term commitment from all organizations involved.**

# SCRANTON TOMORROW IMPLEMENTATION PLAN

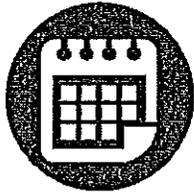
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## MAJOR INITIATIVES

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SANITATION



EVENTS &  
MARKETING



WEBSITE



DOWNTOWN  
PLAN



CAPITAL  
IMPROVEMENTS

There are **five major initiatives** that Scranton Tomorrow will carry out during its three-year implementation period. These five initiatives are designed to **advance visible downtown revitalization and demonstrate the value of a BID to property owners and businesses.**

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## SANITATION

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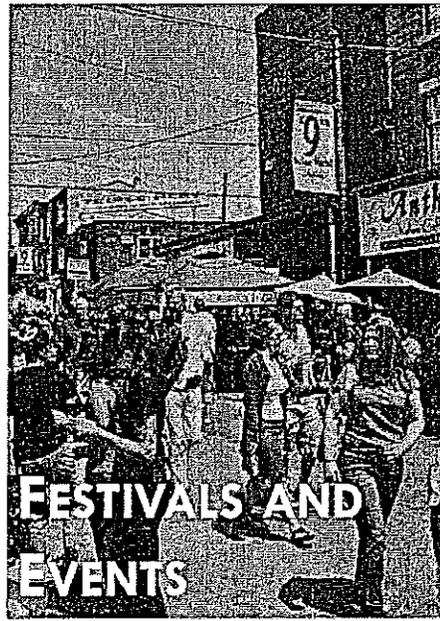
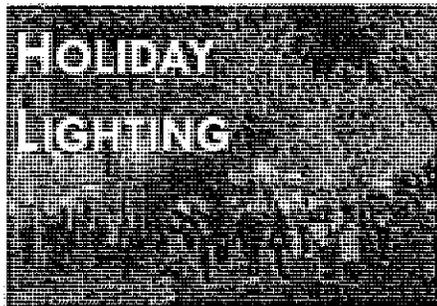
### Summary

- Contract with an organization like Block by Block for 25 blocks or 9 miles of street frontage

### Rationale

- Visible activity demonstrating the effectiveness and capacity of Scranton Tomorrow
- Addresses common need of property owners and demonstrates the value of BID
- Improves visible character of Downtown to attract visitors

## EVENTS & MARKETING



### Summary

- Events to attract people, and materials to promote Downtown

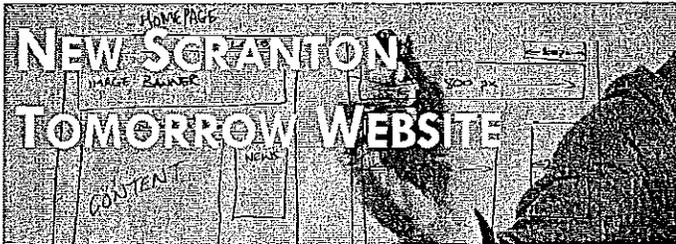
### Rationale

- Revitalization starts with activity and community members seeing downtown as important
- Successful events support retail, demonstrating the value of a BID
- Marketing helps to promote a positive identity, which is essential for making Downtown a regional destination and economic hub

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## WEBSITE

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### Summary

- New website updated with current information to promote Downtown and Scranton Tomorrow

### Rationale

- Publicize events/happenings downtown, and showcases the activities Scranton Tomorrow is leading to benefit property owners

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## DOWNTOWN PLAN

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### Summary

- In partnership with City, County, and stakeholders, create a vision plan for Downtown, with Scranton Tomorrow as the lead implementing agency

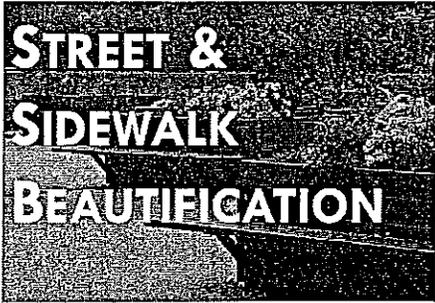
### Rationale

- Create a compelling vision to mobilize stakeholders and property owners and connect Downtown to broader economic development

---

## CAPITAL IMPROVEMENTS

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 <p><b>STREET &amp; SIDEWALK BEAUTIFICATION</b></p>	 <p><b>WAYFINDING SIGNAGE</b></p>	<p><b>Summary</b></p> <ul style="list-style-type: none"><li>• Physical investments to improve downtown, achieved through grants</li></ul> <p><b>Rationale</b></p> <ul style="list-style-type: none"><li>• Consistent grants and improvements a key outcome from a downtown organization</li><li>• Improvements in initial years focus on high visibility to demonstrate Scranton Tomorrow's effectiveness</li><li>• Longer term improvements anticipated to include park space and redesigned streetscapes</li></ul>
 <p><b>CROSSWALK REPAIR</b></p>	 <p><b>PARK PLANNING</b></p>	

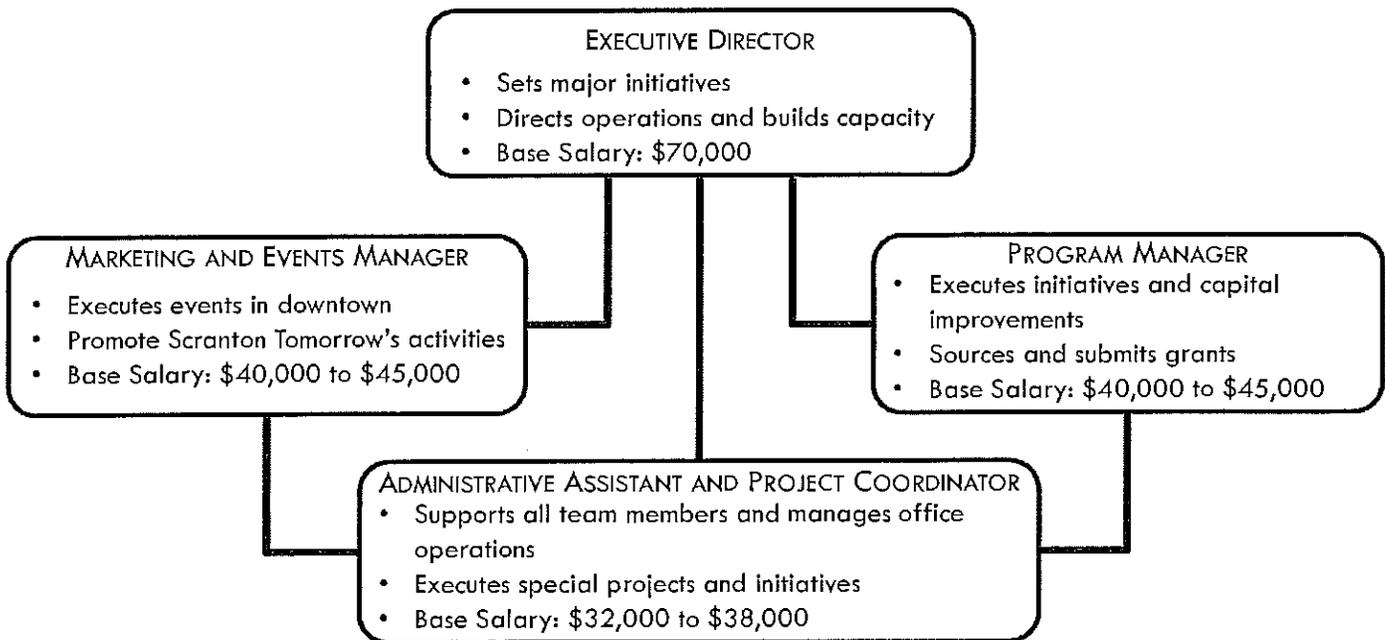
## STAFFING SUMMARY

YEAR 1				YEAR 2				YEAR 3			
1	2	3	4	1	2	3	4	1	2	3	4
<b>EXECUTIVE DIRECTOR</b>											
				<b>MARKETING AND EVENTS MANAGER</b>							
								<b>PROGRAM MANAGER</b>			
<b>ADMINISTRATIVE ASSISTANT AND PROJECT COORDINATOR</b>											

---

## STAFFING SUMMARY

---



## BUDGET OVERVIEW

### YEAR 1 TOTAL: \$525,000

\$125,000	\$130,000	\$85,000	\$98,000	
SANITATION SERVICES	SALARIES & STAFFING COSTS	MARKETING	CAPITAL	
				\$37,000 OTHER

### YEAR 2 TOTAL: \$650,000

\$125,000	\$234,000	\$127,000	\$88,000	\$76,000
SANITATION SERVICES	SALARIES & STAFFING COSTS	MARKETING	CAPITAL	OTHER

### YEAR 3 TOTAL: \$630,000

\$125,000	\$268,000	\$127,000	\$48K	\$62,000
SANITATION SERVICES	SALARIES & STAFFING COSTS	MARKETING	CAPITAL	OTHER

**THREE-YEAR IMPLEMENTATION PERIOD TOTAL: \$1.8 MILLION**

**SCRANTON TOMORROW BUDGET JUSTIFICATION MEMO**

## MEMORANDUM

---

To: Scranton City Council

From: National Resource Network

Date: 11/7/2017

Re: Scranton Tomorrow Draft 3-Year Implementation Period Budget

---

The proposed budget for Scranton Tomorrow's three-year implementation period is based on a strategy to demonstrate the organization's effectiveness and to generate the necessary support for the formation of a Business Improvement District (BID). Developed from discussions with the City and downtown stakeholders, the plan places an emphasis on tangible, visible impacts to downtown Scranton that Scranton Tomorrow will be able to showcase, initiatives to activate and attract people downtown, as well as addressing specific challenges faced by downtown property owners.

The National Resource Network, City of Scranton, and Scranton Tomorrow have worked to quantify the investment needed for Scranton Tomorrow to function at the level necessary to secure support for the formation of a BID. The National Resource Network is led by a consortium of five organizations: Enterprise Community Partners, HR&A Advisors, ICMA, NYU Wagner, and the PFM Group. This memo was authored by HR&A Advisors (HR&A) and pursuant to a direct assistance plan between the Network and the City of Scranton. The findings and recommendations reflect their work and the work of their firm and not necessarily those of other members of the consortium that did not participate in the engagement.

Based off the reported expenditures and financial statements of BIDs across the US, HR&A has developed a budget for Scranton Tomorrow over its first three years of operation. HR&A separated the budget into four major categories – staff salary & benefits, non-salary operation costs, capital and planning costs, and grant-funded initiatives.

Grant funding is critical for financing necessary capital improvements. Securing grant funding requires creating a team with demonstrated capacity to apply for and manage grants. The budget envisions grant-funded capital improvements beginning in year three that are contingent upon successful applications. In years one and two, Scranton Tomorrow would collaborate with Lackawanna County to jointly apply for grants.

HR&A used a variety of sources to develop this budget estimate. First, HR&A utilized budgets and financial statements from similarly sized BIDs across the nation. This includes BIDs highlighted in HR&A's original report for the City of Scranton. By basing Scranton Tomorrow's budget on similarly sized BIDs, HR&A estimated high-level expenditures in each category of services, in addition to the necessary number of employees and their salaries. Next, HR&A used an exhaustive report from the New York City's Small Business Services. This trends report breaks down expenses within BIDs by BID size and service category, giving highly granular data that was used to estimate detailed expenditures for Scranton Tomorrow. HR&A utilized this report to estimate expenses that stay relatively consistent across geographies, recognizing that line items like salaries and rent will vary widely between New York and Scranton. Finally, HR&A conducted research among national suppliers to estimate the cost of purchasing materials or carrying out capital improvements.

Detailed explanations and justifications for budget estimates are found in subsequent sections of this memo.

## Overview

The proposed budget for the three-year implementation period totals \$1.8 million: \$525,000 in the first year, and \$650,000 in the second year, and \$630,000 in the third year. Continuation of the organization would require maintaining or increasing this third-year budget level. While not the subject of this memo or budget, HR&A assumes ongoing resources would come from a variety of sources such as a special assessment, government and non-government grants, earned revenues (events, etc.), and continued support from key downtown stakeholders.

## Staff Salary & Benefits

High-quality staff are essential for Scranton Tomorrow to operate effectively and to implement programs that provide value to property owners and downtown tenants. Staff costs will be Scranton Tomorrow's largest expense, estimated to be approximately \$680,000 for the three-year implementation period and \$270,000 in year three when the organization is fully staffed. Based off an analysis of BIDs serving similar areas to downtown Scranton, HR&A recommends that Scranton Tomorrow hire and retain four full-time staff members by year three. This staffing level will allow Scranton Tomorrow to implement a sufficient number of initiatives needed to secure support for the creation of a BID.

Staff would include an executive director, a program manager, a marketing director, and one general administrative staff. This level of staffing will enable a robust effort to provide constituent services for downtown property owners, conduct marketing and hold events, and manage grant awards. The staffing level would increase from an initial executive director at the start of year one, to four positions by the end of year two.

HR&A developed staff salary levels after reviewing current Scranton Tomorrow salary levels, salaries of comparative professional positions at Lackawanna County, and by reviewing the International Downtown Association (IDA) 2017 Staffing & Salary Survey. The IDA survey details total compensation and staffing levels for municipal and civic organizations such as BID. HR&A targeted setting salary levels between the 25<sup>th</sup> and 50<sup>th</sup> percentile for equivalent size BIDs, reflecting Scranton's smaller size and lower cost of living as compared to major metropolitan areas.

- *Executive Director:* With input from the board, the executive director will set the direction for the organization, spearhead the establishment of major initiatives, and direct operations. During the implementation period, the executive director will spend a significant amount of time administering the organization, setting direction, and building capacity. Additionally, the executive director will devote substantial time to advocating for downtown property owners. This effort directly addresses a need noted by downtown property owners and helps raise the profile of Scranton Tomorrow.
  - Level of effort (% of time spent):
    - Administration of the organization, vision setting, and capacity building: 45%
    - Constituent services linking property owners with City Hall: 30%
    - Project management (grants and initiative implementation): 25%
  - Salary: Based on comparably sized BIDs and after taking into account location-based cost of living differences, HR&A recommends a starting salary of \$70,000. The IDA 2017 Staffing & Salary Survey indicates that this salary is between the 25<sup>th</sup> and 50<sup>th</sup> percentile for compensation of executive directors of BIDs with stabilized operating budgets of between \$500,000 and \$749,999.

- *Marketing & Events Manager*: Responsible for executing events throughout the year that promote and activate downtown Scranton, and for publicizing and promoting the activities of Scranton Tomorrow. As the organization matures, the marketing manager's level of effort may shift from promoting downtown Scranton towards spending more time spearheading initiatives such as collection and publication of data on downtown Scranton or supporting tenant recruitment. The marketing manager will join the staff starting in quarter 3.
  - Level of effort (% of time spent):
    - Downtown events: 40%
    - Promotion of downtown Scranton: 40%
    - Tenant recruitment: 20%
  - Salary: Based on the salaries of similar positions in comparably sized BIDs, HR&A recommends a starting salary between \$40,000 and \$45,000. The recommended starting salary may exceed the average salary for marketing staff in the 25<sup>th</sup> to 50<sup>th</sup> percentile at comparable sized BIDs which ranges from \$35,000 to \$42,000 according to the 2017 IDA Staffing & Salary Survey. However, HR&A considers the marketing and events manager to be critical to the success of Scranton Tomorrow within the three-year implementation period and thus warrants the higher salary.
- *Program Manager*: Responsible for the execution of Scranton Tomorrow's initiatives and capital improvements. The program manager will lead Scranton Tomorrow's efforts to submit grants for continued capital improvements, leveraging new resources for the community. In addition, the program manager is anticipated to provide property owners and businesses with support for applications for grants and subsidies such as New Market Tax Credits and the Local Economic Revitalization Tax Assistance program. The program director will not join the staff until the third quarter of the second year, on-boarding as Scranton Tomorrow begins to receive more substantial grant awards to manage.
  - Level of effort (% of time spent):
    - Grant writing: 45%
    - Technical support of downtown businesses and property owner grant applications: 15%
    - Project administration and management (dependent on successful grant awards): 40%
  - Salary: Based on the salaries of similar positions in comparably sized BIDs, HR&A recommends a starting salary between \$40,000 and \$45,000. This level is approximately equal to the 25<sup>th</sup> percentile of salaries for economic development staff at BIDs in similar sized cities.
- *Administrative Assistant/Project Coordinator*: Supports the responsibilities of all other members of the Scranton Tomorrow team and manages office operations. The administrative assistant/project officer should be able to assist in all facets of Scranton Tomorrow's initiatives – a significant portion of their work will include special projects that are outside the scope of traditional office management activities, reflected in the hybrid title. Therefore, this role requires a capable professional with ambition to grow. HR&A recommends a starting salary between \$32,000 and \$38,000, a level that is equal to the 75<sup>th</sup> percentile salary for administration/support staff at comparable BIDS, but that HR&A feels reflects the increased level of responsibility and project coordination as compared to a standard assistant role.

Scranton Tomorrow must begin as and remain a competitive employer in order to attract and retain top candidates. Therefore, HR&A assumes a competitive benefits package that will result in incurred costs estimated at 30% of each base salary (including employer-paid payroll taxes). In addition, HR&A assumes

a nationwide-standard, annual 2% raise annually. HR&A also assumes a one-time recruitment cost of \$10,000 to recruit and interview top candidates for the administrative assistant and marketing positions in the first year.

### **Non-Salary Operating Costs**

While salaries comprise the majority of costs, there are other non-salary costs associated with the operations of the organization. These costs include contracts for Clean & Safe services, production of marketing materials and events, and the operation of an office.

**Sanitation:** The “Clean” in Clean and Safe, sanitation activities are frequently a service BIDs and other downtown civic organizations provide via contracts with companies like Block by Block. Sanitation activities typically include trash pickup and removal, graffiti removal, and sweeping and cleaning of a downtown’s sidewalks.

The cost of a sanitation contract is highly variable and determined by several factors including: the number of blocks covered by the sanitation contract, the number of man hours devoted to each block, and the scope of services provided. HR&A reviewed the contract cost and included services provided by Block by Block for the Wilkes-Barre BID and developed an estimate based on an adjusted level of effort and geographic coverage zone for Scranton. The annual expense of \$125,000 is anticipated to cover contracted staff of 2 FTE, with 1 additional summer worker performing trash removal, weed removal, maintenance of plantings, graffiti removal, power washing of sidewalks, snow removal, and minor repair to street furniture throughout the downtown. HR&A assumes that this sanitation contract will cover approximately 25 blocks or 9 miles of street frontage.

**Public Safety:** Many BIDS provide public safety services such as ambassadors or contract with local police to increase patrols. Organizations like Block-by-Block provide these services as a contract, including: sidewalk patrols, security cameras, traffic management, and downtown ambassadors. The proposed budget does not include public safety services during the initial three-year implementation period as safety and security are not key challenges for downtown Scranton, and these funds are therefore better spent on other initiatives.

**Marketing:** BIDs and downtown civic organizations often provide a diverse set of services in order to market their downtown. Marketing increases the profile of a downtown, bringing locals and tourists alike to shop in downtown retail and eat in downtown restaurants. Marketing increases the visibility of a downtown and can help attract new residents and investment.

Scranton Tomorrow will work with local property owners and under the direction of the marketing director to determine the types of marketing activities it should undertake. For purposes of budgeting, HR&A assumed that Scranton Tomorrow would plan and implement one event per quarter (four annually) in its first year and then three events per quarter (twelve annually) the next two years. Events vary widely in size, scope, and cost. The budget assumes that most events will be of moderate size, from 250 to 800 attendees, but that a larger event of up to 2,500 people would occur biannually. Based on the cost of existing Scranton Tomorrow events, HR&A estimated the overall average cost per event to be \$8,000 after factoring the variance in anticipated event sizes. This cost includes projected additional staff hours and supplies. As the effort matures, Scranton Tomorrow will explore the potential for raising revenue through events, such as ticket sales for festivals or charges for concessionaires in order to offset the costs of activating downtown. The executive director and marketing manager would be responsible for creating a suite of events that attract a range of

audiences to downtown Scranton. Events might include free movie nights, a summer music festival, a Scranton restaurant sampling event, and a regular farmers market.

Holiday lighting is a common BID service and helps encourage the use of downtowns during the winter months. HR&A has assumed that Scranton Tomorrow would decorate the 25-block, core downtown area from the original sanitation contract. Average holiday lighting cost per block in New York City is \$763, which includes man hours and materials. HR&A conservatively used this cost-per-block estimate in Scranton Tomorrow's proposed budget, while also noting that Scranton Tomorrow will explore opportunities for contribution of in-kind services and sponsorship to offset costs.

Finally, HR&A anticipated that Scranton Tomorrow would produce and distribute print and digital marketing materials in order to promote downtown Scranton or specific events. Materials would include items such as branding materials, an annual report, business promotion materials, maps, and social media posts. HR&A estimated a budget of \$1,000 quarterly for marketing materials during the initial startup period before the marketing director is hired, and then an ongoing budget of \$3,000 from Q4 once the marketing director is fully on-boarded.<sup>1</sup>

IT and web support costs are included in the marketing budget, with a \$25,000 expenditure for consulting services to support a redesigned website. The cost for this website redesign is anticipated for Q4, once the marketing director is fully on-boarded. Additionally, the budget includes funds for website support, including maintenance and updating, estimated based on the cost of Scranton Tomorrow's current IT provider to be \$350 per month for 5 hours of support until the marketing manager is hired at which point outside assistance drops to \$140 per month for 2 hours of support.

**Office Rent:** HR&A estimated Scranton Tomorrow's annual rent through an analysis of first floor retail and office space in downtown Scranton that would comfortably accommodate four employees. Scranton Tomorrow's rent costs are projected to be \$0 for the first two years while using free space within the downtown that has been offered to them. In year three, HR&A estimated that Scranton Tomorrow will pay \$20,000 for highly-visible ground-floor retail space. This estimate is based on current market rents for retail space in downtown Scranton according to real estate data company CoStar and covers base rent and associated utilities.

**Other Administrative Costs:** Other administrative costs include operations expenses that are incurred outside of defined Scranton Tomorrow initiatives and salaries. HR&A's estimates for supplies and annual insurance are based upon the average expenditures of BIDs of comparable size in 2016. 2% annual inflation after the first year was also assumed.

## Capital Costs & Planning

For the first three years of operations, Scranton Tomorrow's capital expenses will remain minimal as the organization grows and expands capacity. Capital improvements focus on immediate visible improvements that address key pedestrian safety needs. More extensive capital improvements will be grant funded, per the details below.

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<sup>1</sup> HR&A developed this marketing budget based on assumptions regarding the amount of physical print material and printing fees of less than \$1 per page, as well as the amount to increase the reach and scope of social media campaigns.

**Beautification/Sanitation Capital Investments:** The budget includes funds for downtown beautification, such as new planters and banners as well as the necessary maintenance equipment. These investments are anticipated to be funded by grants, and thus the costs are shown as distinct lump-sum costs in the budget. The initial funding of \$98,000 is for planters and maintenance equipment, and is a Local Share Account grant that Scranton Tomorrow has already won. The budget includes \$40,000 in beautification investments for the first quarter of year 2 and year 3, and would include elements such as renewed and expanded plantings.

**Pedestrian Safety and Wayfinding:** In order to improve pedestrian access to downtown Scranton, Scranton Tomorrow will fund crosswalk repairs and wayfinding signage throughout the core downtown. HR&A based its cost assumptions on a report prepared by the UNC Highway Safety Research Center and prepared for the Federal Highway Administration. Based off of figures found within the report, HR&A estimated that crosswalk repairs will cost \$1,000 per crosswalk and wayfinding signage will cost \$2,000 per sign. HR&A estimated that Scranton Tomorrow would repair two crosswalks per quarter (ten annually) and execute a one-time purchase and installation of 20 wayfinding signs. The budget for crosswalk repair in years two and three is \$8,000 in years two and three, a moderate amount that ensures property owners see a base of physical improvements. There is potential to increase this base budget through greater grant funding for pedestrian safety capital investments. The budget for wayfinding signage is a one-time cost of \$40,000 anticipated to occur in year two.

**Downtown Area Plan:** Downtown Scranton stakeholders have expressed interest in producing an economic development plan for the downtown area and for the City of Scranton as a whole. With the assistance of outside consultants, Scranton Tomorrow is well positioned to lead the effort for a downtown plan that creates a vision for the future of downtown and underpins a major downtown initiative. Using knowledge of similar plans with similar scopes and sizes, HR&A estimated that a detailed Downtown Area Plan would cost \$50,000 at the low end and potentially \$130,000 to \$150,000 for a more comprehensive plan with additional features. The low range is characterized by updates to existing vision documents, while plans at the higher range might include a new downtown vision, recommendations and plans for physical improvements, streetscape concepts, financial feasibility assessments for initial catalyst projects, and robust implementation strategies. A downtown plan effort is anticipated to be a partnership between Scranton Tomorrow, the City of Scranton, Lackawanna County, the Lackawanna County Chamber of Commerce, and key downtown stakeholders. The budget assumes that Scranton Tomorrow would provide \$30,000 of the total cost, with the remainder funded by the partner organizations. Scranton Tomorrow has secured initial funding towards this plan, receiving \$17,000 for planning efforts as part of its most recent Local Share Account grant.

### **Grant-Funded Initiatives**

The continued revitalization of downtown Scranton requires Scranton Tomorrow consistently submit grant applications to finance larger capital improvements such as new park space or streetscapes. Many programs offered by the State of Pennsylvania have annual application periods. HR&A has assumed that Scranton Tomorrow will begin applying for these grants starting in year one in partnership with Lackawanna County, and then as its own entity in year three upon hiring a program manager.

The three-year budget incorporates small capital improvements such as beautification investments and pedestrian wayfinding improvements that Scranton Tomorrow anticipates funding through grants, such as Local Share Account funds. The budget does not incorporate as a baseline assumption larger grants such as

a multi-modal transportation fund award for a complete street renovation. Although not assumed in the budget as part of the baseline, securing and administering a larger grant would be a sign of major success and should be a goal of Scranton Tomorrow as it becomes fully operational.

Scranton Tomorrow, in partnership with Lackawanna County and the City of Scranton, should explore the following sources of grant funds to complement and expand its services.

#### ***Grants to Fund Scranton Tomorrow Activities***

- *Local Share Account (LSA):* LSA funds are available under Act 71 resulting from taxes on gaming establishments and has been made available to select Pennsylvania jurisdictions for the purpose of economic and community development and public interest projects. Funds are project-based and are not available for organization operations. Since the initiation of the program, numerous entities in Lackawanna County have been awarded grants. For instance, the Lackawanna County Board was awarded \$160,000 to help fund the County Land Bank through LSA funds. The budget assumes that Scranton Tomorrow will annually submit for LSA grants for moderate capital improvements such as streetscapes and sidewalk repair. Applications will be submitted in collaboration with Lackawanna County. The average grant award for projects in counties adjacent to Monroe County (which includes Lackawanna) is \$170,000; matching funds are not required but are encouraged.
- *Multimodal Transportation Fund:* PennDOT gives grants for transportation projects to municipalities, councils of government, businesses, economic development organizations, among other entities. Streetscape improvement projects are eligible – Geisinger recently received \$300,000 for its streetscape improvements. Minimum project cost is \$100,000. Grants are capped at \$3 million and require a 30% local match. The budget does not assume allocation of multimodal transportation funds in the initial three years, but it is anticipated that Scranton Tomorrow, in collaboration with the City and County, will lead future applications for larger capital improvements such as complete streetscape renovations or expansion of the river trail network into downtown.
- *Keystone Main Street Designation:* The Keystone Main Street Program aims to revitalize city centers and downtowns and provides local Main Street organizations with technical assistance and priority consideration for a variety of DCED programs. While not reflected in the budget as this the designation does not result in grants or additional funding, HR&A anticipates that Scranton Tomorrow will be the Main Street organization for downtown Scranton and will receive continued support through this program.
- *Keystone Communities Program:* The Keystone Communities Program offers grants to economic development-focused entities. Grants can cover a wide variety of activities from planning to façade improvements to development. Planning grants are capped at \$25,000. Implementation of façade improvement grants are capped at \$50,000. Development grants are capped at \$500,000. Most grants require a dollar-for-dollar match.

#### ***Grants to Local Businesses and Property Owners with Support from Scranton Tomorrow***

- *Redevelopment Assistance Capital Program (RACP):* RACP funds are administered by the Office of the Budget and must be for projects that have regional or multi-jurisdictional impacts and generate substantial increases or maintain current levels of employment, tax revenues, and other measures of economic activity. Projects are state-funded and cannot obtain primary funding from other state

programs. Lackawanna College's recent redevelopment was partially funded through a \$10.2 million grant from RACP.

- *Keystone Innovation Zone (KIZ) Tax Credit*: KIZ tax credits are used for zone coordination, strategic planning, personnel costs, and hiring of consultants in order to promote innovation and create entrepreneurial opportunities through community and university partnerships.
- *Local Economic Revitalization Tax Assistance (LERTA)*: LERTA allows local taxing authorities to exempt improvements to a business property if such a property is located in a deteriorated area. Improvements can include repairs, construction or reconstruction, and rehabilitation. The schedule of savings cannot exceed 10 years and the savings realized are on a sliding scale beginning with 100% tax abatement in the first year and declining 10% annually.

### **Contingency Fund**

HR&A included a contingency fund set aside within the 3-year implementation period budget. Contingency funds are necessary for Scranton Tomorrow to effectively address unforeseen costs that may arise throughout the implementation period and act as built in flexibility for this budget estimate, reducing the likelihood of overages and unanticipated costs. HR&A included an industry-standard 5% set aside of annual budget values.

**SCRANTON TOMORROW IMPLEMENTATION PHASE  
DETAILED BUDGET**

## SCRANTON TOMORROW BUDGET SUMMARY

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>3-Year Total</b>
<b>Operations</b>	<b>\$402,000</b>	<b>\$528,000</b>	<b>\$552,000</b>	<b>\$1,482,000</b>
<i>Sanitation Contract</i>	\$125,000	\$125,000	\$125,000	\$375,000
<i>Public Safety</i>	\$0	\$0	\$0	\$0
<i>Marketing</i>	\$85,000	\$127,000	\$127,000	\$339,000
<i>Salaries</i>	\$180,000	\$234,000	\$268,000	\$682,000
<i>Econ. Dev. Plan</i>	\$0	\$30,000	\$0	\$30,000
<i>Other Admin</i>	\$12,000	\$12,000	\$32,000	\$56,000
<b>Capital Costs</b>	<b>\$98,000</b>	<b>\$88,000</b>	<b>\$48,000</b>	<b>\$234,000</b>
<b>Total</b>	<b>\$500,000</b>	<b>\$616,000</b>	<b>\$600,000</b>	<b>\$1,716,000</b>
<b>Contingency Fund Set Aside</b>	<b>\$25,000</b>	<b>\$34,000</b>	<b>\$30,000</b>	<b>\$89,000</b>
<b>Grand Total (Contingency Fund Included)</b>	<b>\$525,000</b>	<b>\$650,000</b>	<b>\$630,000</b>	<b>\$1,805,000</b>

Scaevola Temasek Expenditures Category	Total	Year 1				Year 2				Year 3				
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Quarter 9	Quarter 10	Quarter 11	Quarter 12	
<b>Operations</b>														
Sanitation & Beautification Costs														
Sanitation Services Contract Cost	\$375,000	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250
Total Sanitation Costs	\$375,000	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250
Public Safety														
Contract Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Public Safety Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing														
Event Costs	\$224,000	\$8,000	\$8,000	\$8,000	\$8,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Holiday Lighting Costs	\$57,000	\$0	\$0	\$0	\$19,000	\$0	\$0	\$0	\$19,000	\$0	\$0	\$0	\$0	\$19,000
Marketing Materials Costs (Print & Social Media)	\$30,000	\$1,000	\$1,000	\$1,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
IT Website Redesign	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IT Website Content Support Cost	\$3,000	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Marketing Costs	\$339,000	\$10,000	\$10,000	\$38,000	\$30,000	\$37,000	\$37,000	\$37,000	\$46,000	\$37,000	\$37,000	\$37,000	\$37,000	\$46,000
Salaries, Payroll, and Employee Benefits														
Executive Director	\$280,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
Program Manager(s)	\$90,000	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Marketing Director(s)	\$150,000	\$0	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Administrative Assistant	\$120,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Boardroom Costs	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Salaries, Payroll, and Employee Benefits	\$642,000	\$45,000	\$45,000	\$50,000	\$50,000	\$51,000	\$51,000	\$66,000	\$66,000	\$67,000	\$67,000	\$67,000	\$67,000	\$67,000
Economic Development Plan Costs														
Downtown Economic Development Plan	\$30,000	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City of Scaevola Economic Development Plan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Economic Development Plan Costs	\$30,000	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Administrative Costs														
Rent	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other Costs	\$35,000	\$1,000	\$5,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Total Other Administrative Costs	\$55,000	\$1,000	\$5,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
<b>Subtotal Operations</b>	<b>\$1,422,000</b>	<b>\$119,250</b>	<b>\$119,250</b>	<b>\$119,250</b>	<b>\$119,250</b>	<b>\$141,250</b>	<b>\$141,250</b>	<b>\$179,250</b>						
<b>Capital Costs</b>														
Capital Improvement Costs														
Beautification/Sanitation Capital Investments (mudberry, planters, banners etc)	\$178,000	\$18,000	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0
Grasswork Repair/Installation	\$16,000	\$0	\$0	\$0	\$0	\$2,000	\$1,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Wayfinding Sign Purchase and Installation	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Improvement Costs	\$234,000	\$18,000	\$0	\$0	\$0	\$42,000	\$1,000	\$42,000	\$2,000	\$42,000	\$2,000	\$2,000	\$2,000	\$2,000
<b>Subtotal Capital Costs</b>	<b>\$234,000</b>	<b>\$18,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,000</b>	<b>\$1,000</b>	<b>\$42,000</b>	<b>\$2,000</b>	<b>\$42,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>
<b>Total Quarterly Scaevola Temasek Expenditures</b>	<b>\$1,656,000</b>	<b>\$137,250</b>	<b>\$119,250</b>	<b>\$119,250</b>	<b>\$119,250</b>	<b>\$183,250</b>	<b>\$142,250</b>	<b>\$221,250</b>	<b>\$181,250</b>	<b>\$181,250</b>	<b>\$181,250</b>	<b>\$181,250</b>	<b>\$181,250</b>	<b>\$181,250</b>
<b>Total Annual Scaevola Temasek Expenditures</b>	<b>\$1,716,000</b>	<b>\$478,000</b>				<b>\$566,000</b>				<b>\$672,000</b>				
<b>Contingency Fund Set Aside</b>	<b>\$69,000</b>	<b>\$9,000</b>	<b>\$4,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$9,000</b>	<b>\$10,000</b>	<b>\$7,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>
<b>Total Quarterly Scaevola Temasek Expenditures + Contingency Fund</b>	<b>\$1,785,000</b>	<b>\$146,250</b>	<b>\$123,250</b>	<b>\$125,250</b>	<b>\$125,250</b>	<b>\$192,250</b>	<b>\$152,250</b>	<b>\$228,250</b>	<b>\$190,250</b>	<b>\$190,250</b>	<b>\$188,250</b>	<b>\$188,250</b>	<b>\$188,250</b>	<b>\$188,250</b>
<b>Total Annual Scaevola Temasek Expenditures + Contingency Fund</b>	<b>\$1,854,000</b>	<b>\$547,000</b>				<b>\$642,000</b>				<b>\$772,000</b>				



DEPARTMENT OF LAW

P E N N S Y L V A N I A

CITY HALL - 340 NORTH WASHINGTON AVENUE - SCRANTON, PENNSYLVANIA 18503 - PHONE: 570-348-4105 - FAX: 570-348-4263

November 21, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

NOV 21 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AUTHORIZING THE MAYOR AND  
OTHER APPROPRIATE CITY OFFICIALS TO ALLOCATE \$250,000 FROM  
ECONOMIC DEVELOPMENT FUNDS ON A MATCHING BASIS TO SCRANTON  
TOMMOROW TO FURTHER THE PROSPECTS OF ECONOMIC  
REVITALIZATION IN THE DOWNTOWN SECTION OF THE CITY OF  
SCRANTON.

Respectfully,

*Jessica Eskra*  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**ESTABLISHING A "NO PARKING ZONE" ALONG THE NORTHERLY SIDE OF GREEN RIDGE ST (S.R. 6011) BEGINNING APPROXIMATELY 150 FEET WEST FROM ITS INTERSECTION WITH PENN AVENUE AND CONTINUING 80 FEET TO ALLOW FOR SIGHT DISTANCE FOR A PROPOSED DRIVEWAY BY MR .GEORGE JENKINS FOR A PROPERTY LOCATED AT 921 GREEN RIDGE ST.**

WHEREAS, the proposed driveway enters and exits on Harrison Ave a state highway;  
and

WHEREAS, Pennsylvania Department of Transportation's ("PennDOT's") minimum safe site distance for driveways requirements mandate certain parking restrictions be implemented; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON that parking is hereby eliminated along a 80 foot section of SR 6011, known as Green Ridge Street along the northernmost curb line beginning approximately 150 feet from its intersection with Penn Ave. traveling in a westerly direction, in order to provide acceptable sight distance for the proposed driveway to serve 921Green Ridge St.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable ininus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Option Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.

570-351-3699

JACK SWEENEY  
Zoning OFFICER

2017 OCT 19 AM 9:47

DRIVEWAY ADDRESS:

913-915 GREEN RIDGE ST.

MAP No. 13517-060-015

OWNERS:

GEORGE V. & BARBARA A. JENKINS

921 GREEN RIDGE ST. 540-351-5699

CAROL O'NEIL 919 GREEN RIDGE ST.

LOT SIZE 40' WIDE X 70' DEEP

DRIVEWAY ENTRANCE 16' WIDE

PARKING FOR UP TO 6 VEHICLES



Department of  
Licensing, Inspections &  
Permits

City Hall - 4<sup>th</sup> Floor  
340 North Washington Avenue  
Scranton, Pennsylvania 18503  
Tel: (570) 348-4193  
Fax: (570) 348-4171

# BUILDING PERMIT

## B-17090097

**SCRANTON**

Permission is hereby granted for the construction on property, as noted below. All work will comply with the current Building Codes & all other applicable State and Local laws, ordinances, codes & regulations.  
Right of Entry is authorized in accordance to PA Title 34, Labor & Industry, Part XIV UCC, §403.86 Right of Entry to Inspect.

Date Issued: 09/12/2017

Tax ID #: 13517060015

Location: 913 915 GREENRIDGE ST

Subdivision:

Lot: 020A

Zoned As:

Owner: LASALLE NATIONAL BANK

Address: ONE RAMLAND RD  
ORANGEBURG, NY 10962

Contractor: JAMES VALVANO TSE

License #: 22502

Company Name: JAMES VALVANO TSE

Address: 826 FROUDE AVENUE  
SCRANTON, PA 18505

Phone:

Permit Type: B BUILDING PERMIT

Total Sq. Ft: 0

**Project Description:**

DRIVEWAY CUT, EXCAVATE, GRADE AND LAY MODIFY, AND  
STONE AND PAVING.

Approved By: \_\_\_\_\_

Work Value: \$2500

Fee Paid: 80.00

**Expiration:** Every permit issued shall become invalid unless the work authorized by such permit is commenced within **180 days** after its approval, or if the work authorized by such permit is suspended or abandoned for a period of **180 days** after the time the work is commenced.

**CALL BEFORE YOU DIG!!! IT'S THE LAW!!! 1-800-257-7777**

All holders or their agents, of any permit shall notify this Department at the appropriate stages of construction for any inspections or approvals that must be performed or granted to assure constant continuation of work.

**THIS CARD MUST BE DISPLAYED IN AN AREA ON THE PROJECT SITE THAT IS CLEARLY VISIBLE FROM THE STREET AT ALL TIMES.**

**\*\*NO WORK IS TO BE STARTED UNTIL APPLICANT RECIEVES AN APPROVED PERMIT AND IT IS POSTED AT THE JOB SITE\*\***

**APPLICATION FOR BUILDING PERMIT**  
**CITY OF SCRANTON**

1. IS THE PROPERTY A CONDEMNED PROPERTY IN THE CITY OF SCRANTON?    yes    no ✓
2. Property address 913-915 GREEN RIDGE ST. Tax Id 1357060015
3. Is the proposed building operation construction of entirely new structure/ alteration/ enlargement of existing structure?    NO
4. Name of Property Owner: GEORGE JENKINS 921 GREEN RIDGE ST.  
CAROL OWELL 919 GREEN RIDGE ST.
5. Address of Property Owner:    SCRANTON PA 18509
6. Location of Job Site:    913-915 GREEN RIDGE ST. 18509
7. Is the property Currently Fire Damaged?    Yes No
- If yes, is the city treasurer holding insurance proceeds until the improvements are completed and approved?    Yes    No
8. Existing use of Improvements on the Property:
- |                 |            |                               |               |          |
|-----------------|------------|-------------------------------|---------------|----------|
| Residential     | One Family | Two or More (number of units) | <u>N/A</u>    |          |
| Hotel           | Motel      | Dormitory                     | Rooming House |          |
| Non-Residential | Store      | School                        | Church        | Hospital |
| Office          | Bank       | Industrial                    | Restaurant    |          |
| Other           |            | <u>Driveway</u>               |               |          |

**NOTE: THE ANSWERS AND INFORMATION PROVIDED IN PARAGRAPH 8 ABOVE DO NOT WAIVE THE REQUIREMENTS AND CONDITIONS REQUIRED BY THE CITY OF SCRANTON ZONING ORDINANCE FILE COUNCIL 74 OF 1993.**

**FURTHER, ANY RELIEF GRANTED BY THE APPROVAL OF THIS BUILDING PERMIT, DOES NOT WAIVE OR IMPLICITLY APPROVE ANY RELIEF REQUIREMENTS REQUIRED BY OTHER CITY ORDINANCES, INCLUDING BUT NOT LIMITED TO THE CITY OF SCRANTON ZONING ORDINANCE.**

**FURTHER, IF ANY OF THE ANSWERS TO QUESTIONS HEREIN OR INFORMATION PROVIDED ARE FALSE OR A MISREPRESENTATION, SHALL VOID THIS PERMIT AND SAME WILL BE REVOKED.**

*Penn Not Permit No. 000 2972*

9. Is the property located on a corner lot? Yes No  
 Size of Lot 40 Feet in Front 70 Feet in Rear  
 Feet average Dept 70 Square Feet in Total Area 2800
10. The structure will have a max width of N/A feet and a max depth of N/A feet and will occupy N/A square feet of the land after construction or alteration is completed.
11. The nearest distance of the structure from the boundary line of the lot will be as follows: N/A feet from rear of lot line; N/A feet from the left lot side line; N/A feet from right side lot line; N/A feet from the front lot line.
12. Total cost of the proposed building operation, labor and materials for the Home Improvement Contractor/ General Contractor/ Home Owner 2500.00

PERMITS WILL BE ISSUED TO LICENSED CONTRACTORS OR HOME OWNER OCCUPANTS ONLY

ALL LICENSED CONTRACTORS APPLYING FOR A PERMIT MUST SUBMIT A COMPLETE EXECUTED COPY OF THEIR CONTRACT AND INSURANCE FOR THE PROPOSED WORK BEFORE THE PERMIT IS ISSUED.

NOTICE: SEPARATE PERMITS ARE REQUIRED FOR ELECTRICAL, PLUMBING, MECHANICAL (HVAC)

13. Plumber N/A HVAC N/A  
 Electrician N/A Contractor TSE, Inc.

14. Identification- To be completed by all applicants.  
 Contractor's License Number 22502 City of SCRANTON  
 Contractor's PA Registration Number PERDOT# 0002972

X Owner:	GEORGE JENKINS	Address 921 GREEN RIDGE ST	Phone Number 570-351-5699
	CAROL O'NEIL	919 GREEN RIDGE ST	570-347-7229
Contractor:	TSE, INC	Address R. 347 MAIN ST DC, PA	Phone Number 570 341-3001
Architect	N/A	Address N/A	Phone Number N/A

15. Brief description of work being performed:  
DRIVEWAY CUT, EXCAVATE AREA, GRADE AND LAY MODIFIED  
STONE AND PAVING

16. Is there a dumpster for this job on the street? Yes No  
If yes, an additional dumpster permit is required. The cost is \$10.00 a day.

**THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 180 DAYS OR IF CONSTRUCTION OR WORK IS SUSPENDED OR ADANDONED FOR A PERIOD OF 180 DAYS AT ANY TIME AFTER WORK IS COMMENCED.**

I the homeowner certify that the information I have submitted is correct and that I am doing the work myself. I have not hired a contractor to do the work.

X N/A  
SIGNATURE

I swear or affirm that my statements and answers above are true and complete to the best of my knowledge and belief. I also realize that I will be subject to criminal penalties provided by 18 PA.C.C 4903 and 4904 if I have provided false answers and statements.

Robert D. Walker  
Signature of Contractor or Authorized Agent

X 8/31/17  
Date

**\*\*NOTE: ALL WORK SHALL COMPLY WITH THE PENNSYLVANIA UNIFORM CONSTRUCTION CODE, ACT 45 OF 1999\*\***

**\*\*NO WORK IS TO BE STARTED UNTIL APPLICATE RECIEVES AN APPROVED PERMIT AND IT IS POSTED AT THE JOB SITE.\*\***

**OFFICIAL USE ONLY**

APPROVED: YES NO

9/11/17  
DATE

[Signature]  
SIGNATURE OF ZONING OFFICER

APPROVED: YES NO

9-12-17  
DATE

[Signature]  
SIGNATURE OF BUILDING CODE OFFICIAL



DEPARTMENT OF LAW

PENNSYLVANIA CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 21, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

NOV 21 2017

Dear Honorable Council Members:

OFFICE OF CITY  
COUNCIL/CITY CLERK

ATTACHED IS AN ORDINANCE ESTABLISHING A "NO PARKING ZONE" ALONG THE NORTHERLY SIDE OF GREEN RIDGE ST (S.R. 6011) BEGINNING APPROXIMATELY 150 FEET WEST FROM ITS INTERSECTION WITH PENN AVENUE AND CONTINUING 80 FEET TO ALLOW FOR SIGHT DISTANCE FOR A PROPOSED DRIVEWAY BY MR .GEORGE JENKINS FOR A PROPERTY LOCATED AT 921 GREEN RIDGE ST.

Respectfully,

*Jessica Eskra (1)*

Jessica L. Eskra, Esquire

City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A PENSION TRUST AGREEMENT WITH THE COMPOSITE PENSION BOARD TO HOLD APPROXIMATELY \$22,910,531.56 OF THE PROCEEDS FROM THE SALE OF THE ASSETS OF THE SCRANTON SEWER AUTHORITY IN TRUST UNTIL SUCH TIME AS PENSION REFORMS HAVE BEEN ENACTED.**

WHEREAS, the City, the Borough of Dunmore and the Scranton Sewer Authority have heretofore sold certain sewer system assets to the Pennsylvania American Water Company (the "Sale"); and

WHEREAS, after paying transactional costs, funding required escrows, and retiring or defeasing the outstanding sewer system debt, and meeting other terms as set forth in the Sale, the City's portion of the Sale proceeds received at closing was \$69,074,221, comprised of \$66,505,463 received at closing and \$2,568,758 released from the sewer revenue bond refunding escrows (the "Sale Proceeds"); and

WHEREAS, the City has agreed to apply a significant portion of the remaining Sale Proceeds to fund the City's pension plans in conjunction with pension reforms through the attached Pension Trust Agreement; and

WHEREAS, among the pension reforms that are extremely important to the City's future financial well-being are: i) retaining a nationally recognized investment advisor to oversee the tactical and strategic allocation of pension fund investments; ii) retaining a third party administrator to assist the composite pension board with the operation of the funds, including but not limited to assisting with the processing of disability pension applications; and iii) utilization of independent board certified specialists to determine disability eligibility and continuing compliance with all material aspects of the January 30, 2015 Memoranda of Understanding, as amended by the Memoranda of Agreement filed in the Court of Common Pleas of Lackawanna County, No. 13-CV-6689 (the "Disability Pension Agreements"); and

WHEREAS, the City has agreed to invest the pension contributions made hereunder at such time as the above pension reforms are enacted; and

WHEREAS, it is anticipated that an amount of approximately \$22,910,531.56 shall be deposited in the pension plans from the Sale Proceeds.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City Officials are authorized to execute and enter into a Pension Trust Agreement with the Composite Pension Board to hold approximately \$22,910,531.56 of the proceeds from the sale of the assets of the Scranton Sewer Authority in Trust until such time as pension reforms have been enacted.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Option Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.

TRUST AGREEMENT

Dated as of December 1, 2017

By and Among

CITY OF SCRANTON

and

SCRANTON COMPOSITE PENSION BOARD

## TRUST AGREEMENT

THIS TRUST AGREEMENT (the "Trust Agreement") made and entered into as of this 1st day of November, 2017, by and among City of Scranton, Pennsylvania (the "City") and the Scranton Composite Pension Board.

### WITNESSETH:

WHEREAS, the City, the Borough of Dunmore and the Scranton Sewer Authority have heretofore sold certain sewer system assets to the Pennsylvania American Water Company (the "Sale"); and

WHEREAS, after paying transactional costs, funding required escrows, and retiring or defeasing the outstanding sewer system debt, and meeting other terms as set forth in the Sale, the City's portion of the Sale proceeds received at closing was \$69,074,221, comprised of \$66,505,463 received at closing and \$2,568,758 released from the sewer revenue bond refunding escrows (the "Sale Proceeds"); and

WHEREAS, upon the Sale, an escrow fund for representations and warranties was established in the amount of \$5,000,000, with the City's share being 80 percent of that amount and the Borough's 20 percent, as well as an escrow fund for easements in the amount of \$12,000,000, with the City's share being 80 percent of that amount and the Borough's 20 percent. Upon the extinguishment of those escrows according to the schedule agreed upon at closing, all remaining funds will return to the City and the Borough according to the appropriate proportional share as additional proceeds ("Escrowed Sale Proceeds"); and

WHEREAS, the City determined to apply a portion of the Sale Proceeds to retire certain high coupon general obligation debt of the City (referred to as the City's 2006 General Obligation Bonds, the City's 2012 General Obligation Bonds, and the City's 2013 General Obligation Bonds) reducing the fixed costs of the general fund by approximately \$5.2 million per year; and

WHEREAS, the City determined to apply a portion of the Sale Proceeds to defease General Obligation debt of the City Series C of 2003 and Series D of 2003, and refund \$24,620,000 of Series B of 2003, reducing the City's debt service by \$29,170,000; and

WHEREAS, the City has agreed to apply the remaining Sale Proceeds to: i.) make necessary capital improvements in the City, ii.) provide initial funding for storm water management planning, iii.) fund economic development initiatives, iv.) repay or defease additional outstanding liabilities of the City v.) fund the City's pension plans; and vi.) potentially create/contribute to an OPEB Trust Fund; and

WHEREAS, among the pension reforms that are extremely important to the City's future financial well-being are: i) retaining a nationally recognized investment advisor to oversee the tactical and strategic allocation of pension fund investments; ii) retaining a third party administrator to assist the composite pension board with the operation of the funds, including but

not limited to assisting with the processing of disability pension applications, iii) utilization of independent board certified specialists to determine disability eligibility and continuing compliance with all material aspects of the January 30, 2015 Memoranda of Understanding, as amended by the Memoranda of Agreement filed in the Court of Common Pleas of Lackawanna County, No. 13-CV-6689 (the "Disability Pension Agreements"); and

WHEREAS, the City has agreed to invest the pension contributions made hereunder until such time as the above pension reforms are enacted; and

WHEREAS, it is anticipated that an amount of approximately \$22,910,531.56 shall be deposited in the pension plans from the Sale Proceeds; and

WHEREAS, the funds deposited hereunder shall remain invested in compliance with Act 10 of 2016 of the General Assembly of the Commonwealth of Pennsylvania; and

NOW, THEREFORE, intending to be legally bound, the City and the Scranton Composite Pension Board hereby agree as follows:

SECTION 1. Receipt of Sale Proceeds; Use of Funds; and Requisitions.

a) The City hereby deposits into the Trust account an amount of approximately \$22,910,531.56. The Trust Deposit shall be deposited in the following amounts into the following accounts:

1. Upon agreement between the City and the Composite Pension Board, portion may be deposited into the Pension Contribution Account Discount Rate Reduction Subaccount, and/or a portion may be deposited into a separate OPEB Account.
2. The balance remaining shall be deposited into the Pension Contribution Account for the aggregate pension fund.

Notwithstanding anything in the foregoing to the contrary, amounts required to be transferred under this Agreement shall not commence until such time as the Mayor has certified to the Trustee that the City has retained a nationally recognized investment advisor to oversee the tactical and strategic allocation of pension fund investments; the City has retained a third party administrator to assist the composite pension board with the operation of the funds, including but not limited to assisting with the processing of disability pension applications, and the Police and Fire Unions are in compliance with all material aspects of the January 30, 2015 Memoranda of Understanding, as amended by the Memoranda of Agreement filed in the Court of Common Pleas of Lackawanna County, No. 13-CV-6689 (the "Disability Pension Agreements").

The Business Administrator of the City of Scranton shall serve as Trustee.

Thereafter, Sale Proceeds shall be released from the Trust and transferred to the Composite Pension Board for deposit into the Pension Contribution Account and application as follows:

1. Upon agreement between the City and the Composite Pension Board, portion may be deposited into the Pension Contribution Account Discount Rate Reduction Subaccount, and/or a portion may be deposited into a separate OPEB Account.
2. The balance remaining shall be deposited into the Pension Contribution Account.

Any amounts received thereafter from the Escrowed Sale Proceeds shall similarly deployed to reduce the liabilities of the pension funds and/or to create an OPEB account, and shall be deposited according to a schedule agreed upon by the Composite Pension Board, its investment advisor, and the City.

SECTION 2. Irrevocable.

The Trust created hereby shall be irrevocable. The Trustee, on behalf of the City {shall have an express lien on and security interest in} all amounts in the Escrow Fund until such amount has been used and applied in accordance herewith.

SECTION 3. Invalid Provision.

If any one or more of the covenants or agreements provided in this Trust Agreement on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Trust Agreement.

SECTION 4. Amendments.

No amendment may be made to this Trust Agreement unless it is in writing and signed by the parties to this Trust Agreement, unless the amendment:

- (i) cures a formal defect, omission, inconsistency or ambiguity in the Trust Agreement;
- (ii) does not materially adversely affect the long term financial interest of the City; or
- (iii) is made to pledge additional security, including the deposit of additional amounts to the various accounts created hereunder; and

SECTION 5. Governing Law.

This Trust Agreement shall be governed by the applicable law of the Commonwealth of Pennsylvania.

SECTION 6. Notices.

All notices, demands and formal actions under this Trust Agreement shall be in writing and mailed, postage prepaid by first class mail, telecopied and delivered:

(a) As to the City:

City Solicitor  
Law Department  
City of Scranton  
340 North Washington Avenue  
Scranton, PA 18503

(b) As to the Scranton Composite Board:

Composite Pension Board Solicitor  
Lawrence Durkin, Esquire  
Durkin MacDonald, LLC  
536 East Drinker Street  
Dunmore, PA 18512

Notices sent by mail shall be deemed received within seventy-two (72) hours of posting.

IN WITNESS WHEREOF, the parties hereto have each caused this Trust and Escrow Agreement to be executed by their duly authorized officers and attested as of the first date above written.

CITY OF SCRANTON



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 21, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

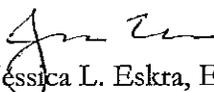
NOV 22 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A PENSION TRUST AGREEMENT WITH THE COMPOSITE PENSION BOARD TO HOLD APPROXIMATELY \$22,910,531.56 OF THE PROCEEDS FROM THE SALE OF THE ASSETS OF THE SCRANTON SEWER AUTHORITY IN TRUST UNTIL SUCH TIME AS PENSION REFORMS HAVE BEEN ENACTED.

Respectfully,

  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**AMENDING FILE OF THE COUNCIL NO. 6, 1976 ENTITLED "AN ORDINANCE (AS AMENDED) IMPOSING A TAX FOR GENERAL REVENUE PURPOSES ON THE TRANSFER OF REAL PROPERTY SITUATE WITHIN THE CITY OF SCRANTON; PRESCRIBING AND REGULATING THE METHOD OF EVIDENCING THE PAYMENT OF SUCH TAX; CONFERRING POWERS AND IMPOSING DUTIES UPON CERTAIN PERSONS, AND PROVIDING PENALTIES", BY IMPOSING THE RATE OF THE REALTY TRANSFER TAX AT TWO AND TWO TENTHS PERCENT (2.2%) FOR CALENDAR YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.**

**SECTION 1.** Be it ordained by the Council of the City of Scranton that the following Sections of File of the Council No. 6, 1976 shall be amended to read as follows:

- A. Section 2. **IMPOSITION OF TAX.** For calendar year 2018, the City of Scranton adopts the provisions of Article XI-D of the Tax Reform Code of 1971 and imposes a realty transfer tax as authorized under that Article subject to the rate limitations therein on each transfer of real property situate within the City of Scranton, or any interest therein, regardless of where the instruments making the transfers are made, executed or delivered, or where the actual settlements on such transfers take place. On and after the effective date of this Ordinance, every person who accepts delivery of any document or on whose behalf delivery of any document is accepted, shall be subject to pay a tax of 2.2 percentum of the value of the property represented by such documents which tax shall be payable at the time of the acceptance of delivery of the document. Where any document is delivered to the Commonwealth, to a political subdivision or to an authority created by the Commonwealth, or a political subdivision, the person by whom the document was made, executed, issued or delivered shall be subject to pay the tax, unless the transfer is between such governmental agencies, in which case no tax shall be paid. Where any lands, tenements or hereditament are situate partly within and partly without the boundaries of the City of Scranton, the tax shall be paid on the value of the portion of the lands, tenements or hereditament situate within the City of Scranton, the tax shall be paid on the value of the portion of the lands, tenements or hereditament situate within the City of Scranton."
- B. Section 6. **INTEREST.** Any tax under Section 2 that is not paid by the date the tax is due shall bear interest as prescribed for interest on delinquent municipal claims under the Act of May 16, 1923 (P.L. 207, No. 153) (53 P.S. Section 7101, et seq.) as amended, known as "The Municipal Claims and Tax Liens Act". The interest rate shall be the lesser of the interest rate imposed upon delinquent Commonwealth taxes as provided in Section 806 of the Act of April 9, 1929 (P.L. 343, No. 176) (72 P.S. S806), as amended, known as "The Fiscal Code", or the maximum interest rate permitted under the Municipal Claims and Tax Liens Act for tax claims.
- C. Section 11. **EFFECTIVE DATE.** The provisions of this ordinance shall become effective on and be applicable to any document made, executed, delivered, accepted or presented for recording on or after October 5, 2005 and shall be effective annually thereafter, without annual reenactment unless and until there is a change in the rate of taxation.

**SECTION 2.** In all other respects, File of the Council No. 6, 1976 shall remain in full force and effect.

**SECTION 3. ADMINISTRATION.** The tax imposed under Section 2 and all applicable interest and penalties shall be administered, collected and enforced under the Act of December 31, 1965 (P.L. 1257, No. 511, as amended, known as "The Local Tax Enabling Act", provided, that if the correct amount of the tax is not paid by the last date prescribed for timely payment, The City of Scranton, pursuant to Section 1102-D of the Tax Reform Code of 1971 (72 P.S. S 8102-D), authorizes and directs the Department of Revenue of the Commonwealth of Pennsylvania to determine, collect and enforce the tax, interest and penalties.

**SECTION 4.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this ordinance and the effective administration thereof.

**SECTION 5.** This Ordinance shall be retroactive to January 1, 2018.

**SECTION 6.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 9, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

NOV - 9 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 6, 1976 ENTITLED "AN ORDINANCE (AS AMENDED) IMPOSING A TAX FOR GENERAL REVENUE PURPOSES ON THE TRANSFER OF REAL PROPERTY SITUATE WITHIN THE CITY OF SCRANTON; PRESCRIBING AND REGULATING THE METHOD OF EVIDENCING THE PAYMENT OF SUCH TAX; CONFERRING POWERS AND IMPOSING DUTIES UPON CERTAIN PERSONS, AND PROVIDING PENALTIES", BY IMPOSING THE RATE OF THE REALTY TRANSFER TAX AT TWO AND TWO TENTHS PERCENT (2.2%) FOR CALENDAR YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.

Respectfully,

Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**AMENDING FILE OF THE COUNCIL NO. 7, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) IMPOSING A MERCANTILE LICENSE TAX OF 2 MILLS FOR THE YEAR 1976 AND ANNUALLY THEREAFTER UPON PERSONS ENGAGING IN CERTAIN OCCUPATIONS AND BUSINESSES THEREIN; PROVIDING FOR ITS LEVY AND COLLECTION AND FOR THE ISSUANCE OF MERCANTILE LICENSES; CONFERRING AND IMPOSING POWERS AND DUTIES UPON THE TAX COLLECTOR OF THE CITY OF SCRANTON; AND IMPOSING PENALTIES", BY IMPOSING THE MERCANTILE LICENSE TAX AT ONE (1) MILL (.001) FOR CALENDAR YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON, that**

Section 4 of File of the Council No. 7, 1976 shall be amended to read as follows:

"Section 4. Imposition and rate of tax.

Every person engaging in any of the following occupations or businesses in the City shall pay a Mercantile License Tax for the year 2018 and annually thereafter at the rate set forth:

- (a) Wholesale vendors or dealers in goods, wares and merchandise, at the rate of one (1) mill (.001) on each dollar of the volume of the annual gross business transacted by them;
- (b) Retail vendors or dealers in goods, wares and merchandise, at the rate of one (1) mill (.001) on each dollar of the volume of annual gross business transacted by them;
- (c) All persons or entities engaged in conducting restaurants or other places where food, drink or refreshments are sold, whether or not the same be incidental to some other business or occupation, and all persons or entities conducting places of amusement or entertainment, whether or not the same be incidental to some other business or occupation, at the rate of one (1) mill (.001) on each dollar of the volume of the annual gross business transacted by them; and
- (d) The tax imposed by this Section shall not apply to the dollar volume of annual business covering the resale of goods, wares or merchandise taken by a dealer as a trade-in or part-payment for other goods or wares, except to the extent that the resale price exceeds the trade-in allowance."

**SECTION 2.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Ordinance and the effective administration thereof.

**SECTION 3.** In all other respects, File of the Council No. 7, 1976 shall remain in full force and effect.

**SECTION 4.** This Ordinance shall be retroactive to January 1, 2018.

**SECTION 5.** This Ordinance is enacted by the Council of the City of Scranton and said taxes are levied pursuant to the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

**SECTION 6.** The tax imposed herein is effective for calendar year 2018 and shall remain in full force and effect annually thereafter, without annual reenactment unless and until there is a change in the rate of taxation.



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 9, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

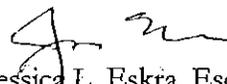
NOV - 9 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 7, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) IMPOSING A MERCANTILE LICENSE TAX OF 2 MILLS FOR THE YEAR 1976 AND ANNUALLY THEREAFTER UPON PERSONS ENGAGING IN CERTAIN OCCUPATIONS AND BUSINESSES THEREIN; PROVIDING FOR ITS LEVY AND COLLECTION AND FOR THE ISSUANCE OF MERCANTILE LICENSES; CONFERRING AND IMPOSING POWERS AND DUTIES UPON THE TAX COLLECTOR OF THE CITY OF SCRANTON; AND IMPOSING PENALTIES", BY IMPOSING THE MERCANTILE LICENSE TAX AT ONE (1) MILL (.001) FOR CALENDAR YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.

Respectfully,

  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**AMENDING FILE OF THE COUNCIL NO. 8, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) PROVIDING FOR THE GENERAL REVENUE BY IMPOSING A TAX AT THE RATE OF TWO (2) MILLS UPON THE PRIVILEGE OF OPERATING OR CONDUCTING BUSINESS IN THE CITY OF SCRANTON AS MEASURED BY THE GROSS RECEIPTS THEREFROM; REQUIRING REGISTRATION AND PAYMENT OF THE TAX AS CONDITION TO THE CONDUCTING OF SUCH BUSINESS; PROVIDING FOR THE LEVY AND COLLECTION OF SUCH TAX; PRESCRIBING SUCH REQUIREMENTS FOR RETURNS AND RECORDS; CONFERRING POWERS AND DUTIES UPON THE TAX COLLECTOR; AND IMPOSING PENALTIES", BY IMPOSING THE BUSINESS PRIVILEGE TAX AT THE RATE OF ONE (1) MILL (.001) FOR CALENDAR YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.**

**SECTION 1.** Be it ordained by the Council of the City of Scranton that Section 3 of File of the Council No. 8, 1976 shall be amended to read as follows:

"Section 3. Imposition and rate of tax:  
Beginning with the tax year 2018, and annually thereafter, every person engaging in any business in the City of Scranton shall pay an annual tax at the rate of one (1) mill (.001) on each dollar of volume of the gross annual receipts thereof."

**SECTION 2.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this ordinance, and the effective administration thereof.

**SECTION 3.** In all other respects, File of the Council No. 8, 1976 shall remain in full force and effect.

**SECTION 4.** This Ordinance shall be retroactive to January 1, 2018.

**SECTION 5.** This Ordinance is enacted by the Council of the City of Scranton and said taxes are levied pursuant to the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

---

**SECTION 6.** The tax imposed herein is effective for calendar year 2018 and shall remain in full force and effect annually thereafter, without annual reenactment unless and until there is a change in the rate of taxation.



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 9, 2017

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RECEIVED

NOV - 9 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 8, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) PROVIDING FOR THE GENERAL REVENUE BY IMPOSING A TAX AT THE RATE OF TWO (2) MILLS UPON THE PRIVILEGE OF OPERATING OR CONDUCTING BUSINESS IN THE CITY OF SCRANTON AS MEASURED BY THE GROSS RECEIPTS THEREFROM; REQUIRING REGISTRATION AND PAYMENT OF THE TAX AS CONDITION TO THE CONDUCTING OF SUCH BUSINESS; PROVIDING FOR THE LEVY AND COLLECTION OF SUCH TAX; PRESCRIBING SUCH REQUIREMENTS FOR RETURNS AND RECORDS; CONFERRING POWERS AND DUTIES UPON THE TAX COLLECTOR; AND IMPOSING PENALTIES", BY IMPOSING THE BUSINESS PRIVILEGE TAX AT THE RATE OF ONE (1) MILL (.001) FOR CALENDAR YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.

Respectfully,

Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

AMENDING FILE OF THE COUNCIL NO. 11, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) ENACTING, IMPOSING A TAX FOR GENERAL REVENUE PURPOSES IN THE AMOUNT OF TWO PERCENT (2%) ON EARNED INCOME AND NET PROFITS ON PERSONS, INDIVIDUALS, ASSOCIATIONS AND BUSINESSES WHO ARE RESIDENTS OF THE CITY OF SCRANTON, OR NON-RESIDENTS OF THE CITY OF SCRANTON, FOR WORK DONE, SERVICES PERFORMED OR BUSINESS CONDUCTED WITHIN THE CITY OF SCRANTON, REQUIRING THE FILING OF RETURNS BY TAXPAYERS SUBJECT TO THE TAX; REQUIRING EMPLOYERS TO COLLECT THE TAX AT SOURCE; PROVIDING FOR THE ADMINISTRATION, COLLECTION AND ENFORCEMENT OF THE SAID TAX; AND IMPOSING PENALTIES FOR THE VIOLATIONS", BY RE-ENACTING THE IMPOSITION OF THE WAGE TAX AT TWO AND FOUR TENTHS (2.4%) PERCENT ON EARNED INCOME FOR RESIDENTS AND ONE (1%) PERCENT ON EARNED INCOME FOR NON-RESIDENTS OF THE CITY OF SCRANTON, FOR WORK DONE, SERVICES PERFORMED OR BUSINESS CONDUCTED WITHIN THE CITY OF SCRANTON FOR THE YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.

**SECTION 1.** BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON, and it is hereby ordained that Part II of File of the Council No. 11, 1976 is hereby amended to read as follows:

**"II. IMPOSITION OF TAX.**

An annual tax for general revenue purposes of two and four tenths percent (2.4%) is hereby imposed on the earned income received and net profits earned in the period beginning January 1<sup>ST</sup> and ending December 31<sup>ST</sup> annually by all persons, individuals, associations, and businesses who are residents of the City of Scranton, and one percent (1%) on non-residents of the City of Scranton, for work done, services performed or businesses conducted within the City of Scranton."

**SECTION 2.** If any section, clause, provision or portion of this ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this ordinance so long as it remains legally enforceable in minus the invalid portion. The City reserves the right to amend this ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this ordinance and the effective administration thereof.

**SECTION 3.** In all other respects, File of the Council No. 11, 1976 shall remain in full force and effect.

**SECTION 4.** This Ordinance shall be retroactive to January 1, 2018.

**SECTION 5.** This Ordinance is enacted by the Council of the City of Scranton and said taxes are levied pursuant to the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

**SECTION 6.** The tax imposed herein is effective for calendar year 2018 and shall remain in full force and effect annually thereafter, without annual reenactment unless and until there is a change in the rate of taxation.



DEPARTMENT OF LAW

PENNSYLVANIA CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 9, 2017

To the Honorable Council  
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RECEIVED

NOV - 9 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 11, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) ENACTING, IMPOSING A TAX FOR GENERAL REVENUE PURPOSES IN THE AMOUNT OF TWO PERCENT (2%) ON EARNED INCOME AND NET PROFITS ON PERSONS, INDIVIDUALS, ASSOCIATIONS AND BUSINESSES WHO ARE RESIDENTS OF THE CITY OF SCRANTON, OR NON-RESIDENTS OF THE CITY OF SCRANTON, FOR WORK DONE, SERVICES PERFORMED OR BUSINESS CONDUCTED WITHIN THE CITY OF SCRANTON, REQUIRING THE FILING OF RETURNS BY TAXPAYERS SUBJECT TO THE TAX; REQUIRING EMPLOYERS TO COLLECT THE TAX AT SOURCE; PROVIDING FOR THE ADMINISTRATION, COLLECTION AND ENFORCEMENT OF THE SAID TAX; AND IMPOSING PENALTIES FOR THE VIOLATIONS", BY RE-ENACTING THE IMPOSITION OF THE WAGE TAX AT TWO AND FOUR TENTHS (2.4%) PERCENT ON EARNED INCOME FOR RESIDENTS AND ONE (1%) PERCENT ON EARNED INCOME FOR NON-RESIDENTS OF THE CITY OF SCRANTON, FOR WORK DONE, SERVICES PERFORMED OR BUSINESS CONDUCTED WITHIN THE CITY OF SCRANTON FOR THE YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER.

Respectfully,

A handwritten signature in black ink, appearing to read "Jessica L. Eskra".

Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

AMENDING FILE OF THE COUNCIL NO. 78, 2017, AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 100, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) LEVYING GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 1977", BY SETTING THE MILLAGE FOR THE YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER BY AMENDING SECTION 1 REVERTING BACK TO THE MILLAGE RATES FROM 2016 WHICH ARE .232521 MILLS LEVY ON LAND AND .050564 LEVY ON ALL BUILDINGS AND BY ELIMINATING THE DEDICATED MILLAGE FOR DEBT SERVICE CONTAINED IN SECTION 2 AND REPLACING THE DEDICATED MILLAGE FOR DEBT SERVICE WITH A DEDICATED DEBT PERCENTAGE OF 32% OF REAL ESTATE TAX REVENUES COLLECTED ON A CURRENT YEAR BASIS.

**SECTION 1.** Be it ordained by the Council of the City of Scranton, that Section 1 of File of the Council No. 100, 1976 shall be amended to read as follows:

"The Council of the City of Scranton ordains that for the purpose of defraying the expense of the City of Scranton for the fiscal year commencing on the first day of January, 2018, and certain other deficiencies prior thereto, a tax is hereby levied on all real, personal and mixed property within the limits of the City of Scranton, Pennsylvania taxable according to the laws of the Commonwealth of Pennsylvania as follows:

To provide for the payment of general expenses and to provide for the various interest and sinking funds as required by law, there is hereby levied on each thousand dollar of valuation in the Scranton Twenty-Four Ward area:

**For General Expense and Sinking Fund purposes:**

Levy on all Land	.232521 millage rate
Levy on all buildings	.050564 millage rate

The total levy for general and special purpose is two hundred thirty two dollars and .521 cents (\$232.521) on each one thousand dollars of said valuation of land, and fifty dollars and .564 cents (\$50.564) on each one thousand dollars of said valuation on all buildings."

The total levy remains unchanged from 2016 at 283.085 mills.

**SECTION 2.** Eliminating the dedicated millage for debt service and imbedding a dedicated percentage of revenues thereby meeting the intent of a segregated stream of revenues assigned to debt service. To address the continued dedication of real estate tax revenue, the Single Tax Office will be notified, and the amended legislation will certify, that 32% of real estate tax revenue on a current year basis will be remitted to the City's Single Point Paying Agent to meet the budgeted debt service requirement for the fiscal year.

**SECTION 3.** This Ordinance shall be retroactive to January 1, 2018.

**SECTION 4.** In all other respects, File of the Council No. 100, 1976 shall remain in full force and effect.

**SECTION 5.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Ordinance and the effective administration thereof.

**SECTION 6.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

**SECTION 7.** The tax imposed herein is effective for calendar year 2018 and shall remain in full force and effect annually thereafter, without annual reenactment unless and until there is a change in the rate of taxation.



DEPARTMENT OF LAW

PENNSYLVANIA CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 9, 2017

To the Honorable Council  
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Municipal Building  
Scranton, PA 18503

RECEIVED

NOV - 9 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 78, 2017, AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 100, 1976, ENTITLED "AN ORDINANCE (AS AMENDED) LEVYING GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 1977", BY SETTING THE MILLAGE FOR THE YEAR 2018 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER BY AMENDING SECTION 1 REVERTING BACK TO THE MILLAGE RATES FROM 2016 WHICH ARE .232521 MILLS LEVY ON LAND AND .050564 LEVY ON ALL BUILDINGS AND BY ELIMINATING THE DEDICATED MILLAGE FOR DEBT SERVICE CONTAINED IN SECTION 2 AND REPLACING THE DEDICATED MILLAGE FOR DEBT SERVICE WITH A DEDICATED DEBT PERCENTAGE OF 32% OF REAL ESTATE TAX REVENUES COLLECTED ON A CURRENT YEAR BASIS.

Respectfully,

Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. \_\_\_\_\_

2017

AN ORDINANCE

**CREATING AND ESTABLISHING SPECIAL CITY ACCOUNT NO. 02.229623 ENTITLED "STREET PAVING" FOR THE RECEIPT AND DISTRIBUTION OF FUNDS FROM THE DEFEASANCE OF THE 2012 SERIES A AND B BONDS WITH SEWER SALE PROCEEDS AND DISTRIBUTION OF THE FUNDS FOR PAVING STREETS THROUGHOUT THE CITY OF SCRANTON.**

WHEREAS, this Special City Account is being established for the receipt of funds from the Defeasance of the 2012 Series A and B Bonds with the Sewer Sale proceeds and distribution of the funds for paving streets throughout the City of Scranton.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON that Special City Account No. 02.229623 is hereby established and that any and all appropriate City officials are authorized to execute any and all documents necessary to set up said account.

**SECTION 1.** If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

**SECTION 2.** This Ordinance shall become effective immediately upon approval.

**SECTION 3.** This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Option Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.



DEPARTMENT OF BUSINESS ADMINISTRATION

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4118 • FAX: 570-348-4225

November 3, 2017

Jessica Eskra, Esq.  
City Solicitor  
Municipal Building  
Scranton, PA 18503

Dear Attorney Eskra:

Please prepare an Ordinance for Scranton City Council creating a new special city account for the purpose of receiving funds from the defeasance of the 2012 Series A and B bonds with Sewer Sale proceeds. The purpose of this distribution is for paving streets throughout the City of Scranton.

**02.229623**  
**Street Paving**

If you should have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

Rebecca McMullen  
Finance Manager

RLM:nmk

Encls.

Cc: Roseann Novembrino, City Controller  
Wayne Beck, City Treasurer  
Lori Reed, City Clerk  
Andy Marichak, Financial Analyst  
Adam Joyce, Senior Accountant  
Rebecca McMullen, Financial Manager



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 9, 2017

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Scranton, PA 18503

RECEIVED

NOV - 9 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE CREATING AND ESTABLISHING SPECIAL CITY ACCOUNT NO. 02.229623 ENTITLED "STREET PAVING" FOR THE RECEIPT AND DISTRIBUTION OF FUNDS FROM THE DEFEASANCE OF THE 2012 SERIES A AND B BONDS WITH SEWER SALE PROCEEDS AND DISTRIBUTION OF THE FUNDS FOR PAVING STREETS THROUGHOUT THE CITY OF SCRANTON.

Respectfully,

  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

RESOLUTION NO. \_\_\_\_\_

2017

**ACCEPTING THE RECOMMENDATION OF THE HISTORICAL ARCHITECTURE REVIEW BOARD ("HARB") AND APPROVING THE CERTIFICATE OF APPROPRIATENESS FOR LOCKER GENERAL CONSTRUCTION, P.O. BOX 206, OLYPHANT, PA, 18447, TO INSTALL A DIGITAL BILLBOARD, WHICH ROUGHLY MEASURES 8 FEET HIGH BY 23 FEET WIDE, BETWEEN THE SECOND AND THIRD FLOORS AND A PAINTED SIGN ABOVE THE DIGITAL BILLBOARD COMPARABLE TO BITTENBENDER'S SIGNAGE, SITUATED AT 134 FRANKLIN AVENUE, SCRANTON, PA 18503.**

WHEREAS, the Historical Architecture Review Board ("HARB") has convened and reviewed the submission of Don Mammano, owner of the building, for Locker General Construction, P.O. Box 206, Olyphant PA, 18447, to install a digital billboard between the second and third floors as well as a painted sign above the digital billboard comparable to Bittenbender's signage, painter not yet determined, at 134 Franklin Ave., Scranton, PA 18503. A copy of which is attached hereto and marked as Exhibit "A" and incorporated herein by reference; and

WHEREAS, further recommendation by HARB includes the criteria that the digital billboard must fall in line with zoning requirements in regard to what can be advertised on the billboard; and

WHEREAS, the HARB has determined that the Improvements meets with the guidelines of the HARB and has been recommended for approval by the Governing Body of the City of Scranton; and

WHEREAS, the HARB specifically recommends that a Certificate of Appropriateness be issued for the Improvement.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON** that City Council hereby accepts the recommendation of the HARB concerning the Improvement, above defined, and approves the issuance of a Certificate of Appropriateness as defined by law and City ordinance.

**SECTION 1.** If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect

any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

**SECTION 2.** This Resolution shall become effective immediately upon approval.

**SECTION 3.** This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

Paid  
Check #  
1246  
10-11-17

# Historical Architecture Review Board

City Hall . 340 North Washington Avenue . Scranton, PA 18503

## APPLICATION FOR CERTIFICATE OF APPROPRIATENESS

Building address: 134 Franklin Avenue Scranton PA 18503  
Street and number City State Zip

Owner of building: OFM Properties LLC

Owner's address: 317 Linden Street Scranton PA 18503  
Street and number City State Zip

Applicant: Donald Mammara

Applicant's address: 317 Linden Street Scranton PA 18503  
Street and number City State Zip

Applicant's Phone Number: 570-241-3687

Tax Identification #: \_\_\_\_\_

*Note: Application form, photographs and required drawings and application fee are to be submitted to the City of Scranton's Department of Licensing, Inspections and Permits (340 N Washington Ave, City Hall 4<sup>th</sup> floor, Scranton, PA 18503) no later than 12:00 noon on the first Monday of the month in order to be placed on the agenda for that month's meeting. All information must be completed in full or it will be not be placed on the agenda or considered for approval, this application will be labeled invalid and will need to be refiled.*

*A BOND MAY BE REQUESTED AT THE RECOMMENDATION OF THE HARB FOR DEMOLITION APPLICATIONS. In the event of default of the approved Certificate of Appropriateness, the bond will be used for demolition completion, historical preservation, historical education, mitigation, construction, or otherwise deemed appropriate by the HARB.*

**1. PHOTOGRAPHS** - Photographs of your building and neighboring buildings must accompany your application.

**2. TYPE OF WORK PROPOSED** - Check all that apply.

- |  |   |
|--|---|
| <input type="checkbox"/> Trim and decorative woodwork            | <input type="checkbox"/> Skylights        |
| <input type="checkbox"/> Siding and Masonry                      | <input type="checkbox"/> Metal work       |
| <input type="checkbox"/> Roofing, gutter and downspout           | <input type="checkbox"/> Light fixtures   |
| <input type="checkbox"/> Windows, doors, and associated hardware | <input checked="" type="checkbox"/> Signs |
| <input type="checkbox"/> Storm windows and storm doors           | <input type="checkbox"/> Demolition       |
| <input type="checkbox"/> Shutters and associated hardware        | <input type="checkbox"/> Other _____      |

**3. DRAWINGS OF PROPOSED WORK** - Required drawings must accompany your application. Please submit ten (10) copies of 8-1/2" x 11" or 11" x 17" drawings.

**Alteration, Restoration, Renovation:** Provide photos of the existing conditions and images along with scaled drawings to fully communicate the proposed changes. Include manufacturer's information on new products to be installed (awnings, siding, trim, roofing, signage, windows, doors, hardware, etc.) Provide dimensions to communicate scale. Drawing should indicate which materials will be used and where they will be used. Provide material or color samples and photographs/drawings to communicate intended color-use.

\_\_\_ **New Addition:** Provide photos of the existing conditions and images along with scaled drawings (elevations, floor plans, and sections) to fully communication the proposed scope of work. Include manufacturer's information on new products to be installed (awnings, siding, trim, roofing, signage, windows, doors, hardware, etc.) Provide dimensions to communicate scale. Drawing should indicate which materials will be used and where they will be used. Provide material or color samples and photographs/drawings to communicate intended color-use.

\_\_\_ **New Building or Structure:** Provide photos of the existing conditions and images along with scaled drawings (elevations, floor plans, and sections) to fully communication the proposed scope of work. Include manufacturer's information on new products to be installed (awnings, siding, trim, roofing, signage, windows, doors, hardware, etc.) Provide dimensions to communicate scale. Drawing should indicate which materials will be used and where they will be used. Provide material or color samples and photographs/drawings to communicate intended color-use.

\_\_\_ **Demolition:** Provide existing photos and historic images (if available) of the existing conditions. Provide drawings to fully communicate proposed use after demolition. Provide structural reports or other information that justify demolition.

\_\_\_ **Windows and Doors:** Provide manufacturer's information on new doors and windows to communicate the dimensions, materials, colors, profile, hardware and operability.

\_\_\_ **Signage – Provide the following:**

- o Photographs or elevation drawings showing existing conditions and proposed signage to depict approximate scale, materials, colors, and lettering.
- o Material specifications and/or material samples.
- o Information pertaining to the attachment method (diagrams, drawings, photos, details, samples, etc.)

\_\_\_ **Lighting – Provide lighting manufacturer specifications which Indicate dimensions, materials, colors, lamping, and photometric information (if available)**

4. **DESCRIBE PROJECT – Describe any work checked in #2 and #3 above. Attach additional sheets as needed.**

Replace existing billboard with digital

5. **BUILDING USE – Describe the current use and the proposed use of this property. Attach additional sheets as needed.**

Current - 12 apartments & Commercial space  
Proposed - Same use

ITEMS 6-11 ONLY NEED TO BE COMPLETED FOR DEMOLITION APPLICATIONS. MARK N/A IF THIS IS NOT APPLICABLE TO YOUR PROJECT. PROCEED TO SECTION 12.

Demolition applications may attach additional sheets as necessary.

**6. PROVIDE PROJECT SCHEDULE**

N/A

**7. PROVIDE HISTORICAL BACKGROUND – Year built, previous owners, use & occupants, Architect of Record, previous renovations. Etc.**

N/A

**8. ANTICIPATED IMPACTS TO THE SURROUNDING AREA – Historical, Architectural, lines of site, viewshed, financial, social**

N/A

**9. JUSTIFICATION FOR DEMOLITION**

N/A

10. ALTERNATIVES ANALYSIS --  
Alternative Locations

Alternative-Use, Alterations, Renovation-Analysis  
No Action Analysis

N/A

11. PROPOSED MITIGATION OF HISTORICAL AND ARCHITECTURAL LOSS

N/A

12. APPLICANT'S SIGNATURE: \_\_\_\_\_ Date: \_\_\_\_\_

**DO NOT WRITE BELOW THIS LINE: FOR COMMISSION USE ONLY**

Presented at Commission Meeting on: Monday, October 30, 2017

Reviewed by: HARB Date: 10/30/17

Zoning Approval:  YES  NO

Commission Recommendations:

HARB approves the recommendation by a vote of 4-1 for the installation of an 8 feet by 23 feet digital billboard between the 2nd & 3rd floors of the building as well as a painted sign above digital billboard comparable to Bittenbender's signage on adjacent building.

Additional Comments:

Must fall in line with zoning requirements in regard to what can be advertised on digital billboard.

**\*\*NO WORK IS TO BE STARTED UNTIL APPLICANT RECEIVES AN APPROVED PERMIT AND IT IS POSTED AT THE JOB SITE\*\***

**APPLICATION FOR A BUILDING PERMIT**  
**CITY OF SCRANTON**

1. Is the Property Condemned?    Yes     No
- If yes, is the city treasurer holding a performance bond or cashier's check until the improvements are completed and approved?    Yes    No
2. Property Map Id Number(**Required**) 15626020013
3. Name of Property Owner: DFM Properties LLC
4. Authorized Agent of Property (If applicable) Donald Mammako
5. Address of Property Owner: 317 Linden Street
6. Telephone Number of Owner: 570-241-3687
7. Location of Job Site: 134 Franklin AVE
8. Is the Property Located in a Flood Zone?    Yes     No
9. Is the property Currently Fire Damaged?    Yes     No
- If yes, is the city treasurer holding insurance proceeds until the improvements are completed and approved?    Yes     No
10. Is Existing use of Property a Single Family Dwelling?    Yes     No
- If no, what is the current use of the structure? Apartments / Commercial
  - If multi dwelling, how many units? 12
11. Has this property been vacant for the past six (6) months? Yes  No
12. Is the Property/Space a New or Existing Business?    Yes     No
- Explain: \_\_\_\_\_
13. Were Construction Prints Submitted by a Licensed Architect/Engineer? Yes- No- N/A
- If yes, are plans approved?     Yes    No \_\_\_\_\_

NOTE: THE ANSWERS AND INFORMATION PROVIDED IN PARAGRAPH 8 ABOVE DO NOT WAIVE THE REQUIREMENTS AND CONDITIONS REQUIRED BY THE CITY OF SCRANTON ZONING ORDINANCE FILE OF COUNCIL 74 OF 1993.

FURTHER, ANY RELIEF GRANTED BY THE APPROVAL OF THIS BUILDING PERMIT, DOES NOT WAIVE OR IMPLICITLY APPROVE ANY RELIEF REQUIREMENTS REQUIRED BY OTHER CITY ORDINANCES, INCLUDING BUT NOT LIMITED TO THE CITY OF SCRANTON ZONING ORDINANCE.

FURTHER, IF ANY OF THE ANSWERS TO QUESTIONS HEREIN OR INFORMATION PROVIDED ARE FALSE OR A MISREPRESENTATION, SHALL VOID THIS PERMIT AND THE SAME WILL BE REVOKED.

**\*\*NO WORK IS TO BE STARTED UNTIL APPLICANT RECEIVES AN APPROVED PERMIT AND IT IS POSTED AT THE JOB SITE\*\***

\*For New Structures\*

14. The new structure will have a max width of \_\_\_\_\_ feet and a max depth of \_\_\_\_\_ feet and will occupy \_\_\_\_\_ square feet of the land after construction or alteration is completed.

15. The nearest distance of the new structure from the property boundary line of the lot will be as follows: \_\_\_\_\_ feet from rear of lot line; \_\_\_\_\_ feet from the left lot side line; \_\_\_\_\_ feet from right side lot line; \_\_\_\_\_ feet from the front lot line.

16. Total cost of the proposed building operation (not including electrical, mechanical or plumbing), of labor and materials for construction:  
\$ 4,000

PERMITS WILL BE ISSUED TO LICENSED CONTRACTORS OR HOME OWNER OCCUPANTS ONLY, HOME OWNER MUST LIVE AT THE PROPERTY IN ORDER TO PERFORM APPROVED WORK.

ALL LICENSED CONTRACTORS APPLYING FOR A PERMIT MUST SUBMIT A COMPLETE EXECUTED COPY OF THEIR CONTRACT AND INSURANCE FOR THE PROPOSED WORK BEFORE THE PERMIT IS ISSUED.

NOTICE: SEPARATE PERMITS ARE REQUIRED FOR ELECTRICAL, PLUMBING, MECHANICAL (HVAC)

17. Identification- To be completed by all applicants.

City of Scranton Contractor's License Number 5314

Contractor's PA Registration Number \_\_\_\_\_

Contractor's Name Locker General Contracting

Contractors Address P.O. Box 206 Glyport PA 18447

Contractor's Phone Number 570-840-5241

\*\*\*If Applicable:

Architect's Name & Address: Tim Aikman

Architect's Telephone Number: 570-983-7445

18. Description of work being performed:

Install 8' x 23' digital billboard  
on side of 174 Franklin Ave

19. Is there a dumpster for this job on the street? Yes No (# of Days \_\_\_\_\_)  
(If yes, an additional dumpster permit is required. The cost is \$10.00 a day).

**\*\*NO WORK IS TO BE STARTED UNTIL APPLICANT RECEIVES AN APPROVED PERMIT AND IT IS POSTED AT THE JOB SITE\*\***

**THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 180 DAYS OR IF CONSTRUCTION OR WORK IS SUSPENDED OR ADANDONED FOR A PERIOD OF 180 DAYS AT ANY TIME AFTER WORK IS COMMENCED.**

I the homeowner certify that the information I have submitted is correct and true and that I am doing the work myself. ***I have not hired a contractor to do the work.***

*Karl M. Meyer*  
Signature of Property Owner

2/28/17  
Date

I swear or affirm that my statements and answers above are true and complete to the best of my knowledge and belief. I also realize that I will be subject to criminal penalties provided by 18 PA.C.C 4903 and 4904 if I have provided false answers and statements.

*Jack Locker*  
Signature of Contractor or Authorized Agent

2/28/17  
Date

**\*\*NOTE: ALL WORK SHALL COMPLY WITH THE PENNSYLVANIA UNIFORM CONSTRUCTION CODE, ACT 45 OF 1999\*\***

---

**OFFICIAL USE ONLY**

APPROVED: YES NO 10/4/17  
DATE

*John K...*  
SIGNATURE OF ZONING OFFICER

APPROVED: YES NO \_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF BUILDING CODE OFFICIAL

# Lackawanna County Assessor's Office Search Link

## Lackawanna County Assessor's Office Property Details

PIN Number: 15626020013

Property Information

Address: 134 136 FRANKLIN AVE L 28  
Municipality: SCRANTON

Owner Information

Name: DEM PROPERTIES LLC  
Address: 317 LINDEN ST ATTN BUSINESS OF  
SCRANTON, PA 18503

Dwelling Type: OTHER COMMERCIAL  
Dimensions: 40X177  
Subdivision: TOWN PLOT OF CITY OF SCRANTON

Book Page/Ref No.: 2007-27642  
Date Acquired (mm/dd/yy): 09/27/07

Assessment

Land Value: \$20600  
Improvement Value: \$20000  
Total Value: \$40600

Purchase Price: \$350000

Printed: Tuesday, Feb 28 2017 - 02:43:28 pm

# DAKTRONICS QUOTE

609165-1.0

DFM Properties  
 Attn: Don Mammano  
 Hawley, PA USA  
 Phone: (570)241-3687  
 Email: dfmproperties@yahoo.com

DATE Tuesday, February 21, 2017  
 VALID FOR 60 Days  
 DELIVERY 60-90 Days  
 TERMS To be determined - based on credit

## MAIN Custom

Digital Billboard 6401 Series 8' x 23'

Spacing	Matrix	Active Area	Physical Size	Weight (pounds)	Operating Amps	Service Access
20 mm MT	120 x 340	7'10" x 22'4"	6'4" x 22'10"	2,000	4	Front and Rear

### SCOPE

Equipment & Services	QTY	PRICE
Display DB-6401-120x340-20MT	1	\$66,500.00
Software OOH Venus® Control Suite - Pro AdGrid Package - Cloud Based 10 yr	1	
Spare Parts DB-6400 Spare Parts (inside display)	1	
Webcam DB-640X Webcam and Mounting Arm	1	
Service Year(s) 1-5 Parts and Labor (Billboard Platinum) for a total of 5 Years for One DB-6401-120x340-20MT	1	
Brightness Guarantee: Minimum 5,000 Nits at Ten Years <a href="http://www.daktronics.com/TermsConditions/DD3557499">http://www.daktronics.com/TermsConditions/DD3557499</a>	1	
Software Training Venus® Control Suite - Pro AdGrid One-on-One Webinar	1	
Shipping FCA Destination to Hawley, PA	1	

Total Price Excluding Sales Tax \$66,500.00

For detailed specifications (dimension, weight, and power) please request a Daktronics shop and riser drawing.

## DAKTRONICS DIFFERENCE

ZONING AND PERMIT ASSISTANCE Take advantage of our experienced sign legislation team  
PROFESSIONAL LIGHT ANALYSIS Experienced team of application engineers available to answer site specific questions  
DIGITAL STRATEGY, AD SALES AND CREATIVE CONSULTING Customized training  
ASSIGNMENT OF A PROJECT TEAM including a project manager, and account service manager  
INDUSTRY SPECIFIC LED  
ON-SITE TECHNICAL ASSISTANCE FOR INSTALLATION

## DISPLAY FEATURES

FULLY SEALED COMPONENTS Module, power supply, and display electronics  
LIGHT CONTROL STANDARDS Complies with local, federal and industry light output standards  
DISPLAY CALIBRATION Multiple methods, including critical field calibration for lifetime color consistency  
CONTRAST High contrast non-reflective louvers  
SMART LIGHT SENSOR SYSTEM Multi-direction sensing with power saving algorithms

## PERFORMANCE

COMPLIANCE INFORMATION UL, cUL, UL-Energy Verified, and FCC compliant  
SIGNAL REDUNDANCY Bi-directional module communication  
DIAGNOSTICS Advanced Intelligent Device Management (IDM) checks over 2,400 information points every hour  
INTEGRATED SMARTLINK™ CONTROLLER Redundant communication path and remote power cycle  
24/7 Service availability

## TECHNOLOGY

LEDS PER PIXEL Single Bin, 3 color matched LEDs: 1 red, 1 green, 1 blue  
VIEWING ANGLE 160° Horizontal x 70° Vertical  
OPERATING TEMPERATURE -30° to +120° F (-34° to +49° C)  
COLOR CAPABILITY 19 Bit - 144 Quadrillion  
DISPLAY DIMMING 256 Dimming Levels  
BRIGHTNESS 3,500 Nits ship level

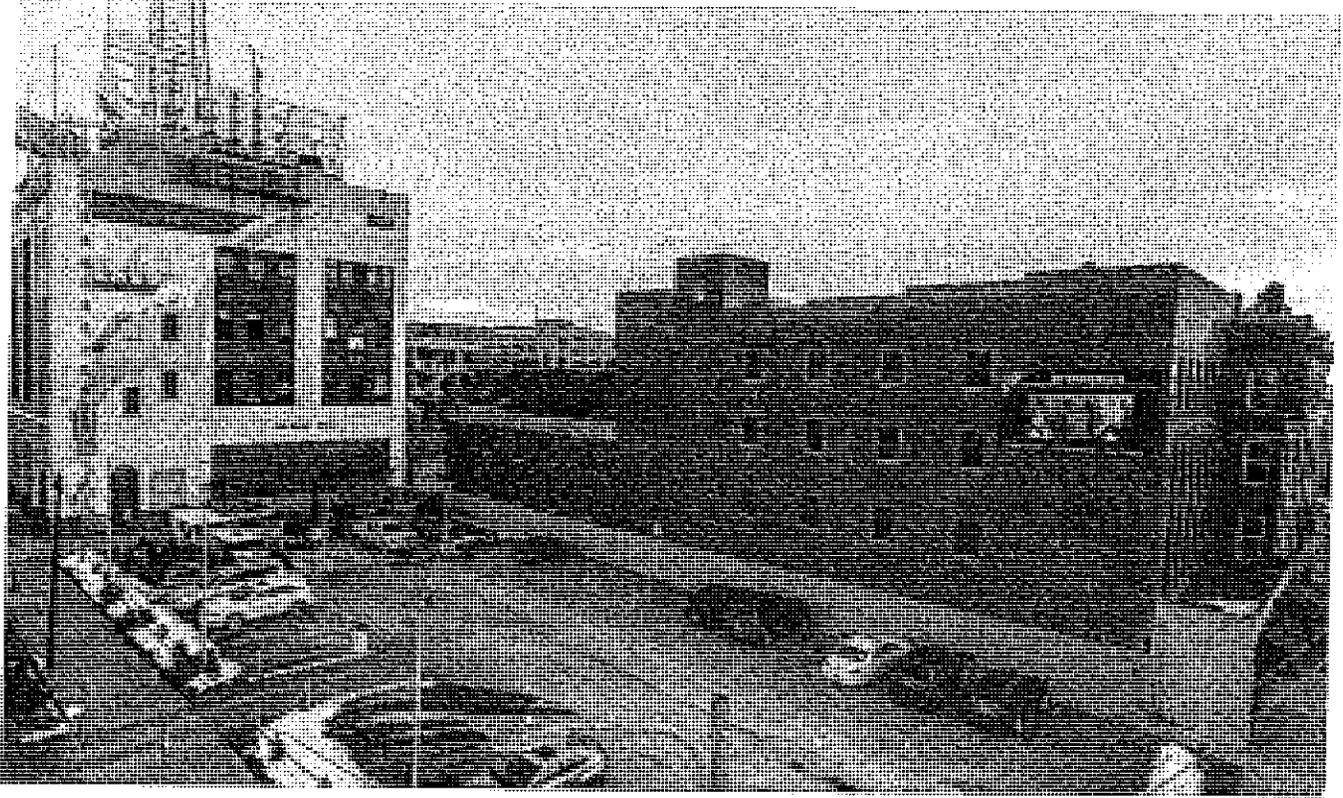
Thank you for considering Daktronics. We are excited about the opportunity to be your out-of-home solutions partner. Please contact us with any questions or comments that you may have regarding this information.

Sincerely,

Courtney Ericson  
Phone 201 424 3800  
Fax  
Email Courtney.Ericson@daktronics.com



"Proposed Replacement Board"





**HISTORICAL ARCHITECTURE REVIEW BOARD**

CITY HALL • 340 NORTH WASHINGTON AVE., 4<sup>TH</sup> FL. • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105

TO: Jessica Eskra  
City Solicitor  
Law Department

CC: Tim Corbett  
HARB Solicitor

FROM: Mary-Pat DeFlice  
Confidential Secretary, HARB Coordinator

DATE: November 2, 2017

RE: HARB Recommendation

Enclosed please find the following recommendation from the Historical Architecture Review Board (HARB) regarding the following project:

- Locker General Construction, P.O. Box 206, Olyphant, PA, for installation of a digital billboard, which roughly measures 8''h x 23''w, between the second and third floors and a painted sign above the digital billboard comparable to Bittenbender's signage, situated at 134 Franklin Avenue, Scranton, PA 18503.

A Certificate of Appropriateness was issued for project listed and has received approval from the HARB as long as project falls in line with zoning requirements in regard to what can be advertised on digital billboard, following a presentation at their meeting on October 30, 2017.

Please prepare the necessary submission to City Council for review and passage. Thank you in advance for your attention regarding this matter.

/mpd  
encl.



DEPARTMENT OF LAW

PENNSYLVANIA CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 3, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

NOV 17 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION ACCEPTING THE RECOMMENDATION OF THE HISTORICAL ARCHITECTURE REVIEW BOARD ("HARB") AND APPROVING THE CERTIFICATE OF APPROPRIATENESS FOR LOCKER GENERAL CONSTRUCTION, P.O. BOX 206, OLYPHANT, PA, 18447, TO INSTALL A DIGITAL BILLBOARD, WHICH ROUGHLY MEASURES 8 FEET HIGH BY 23 FEET WIDE, BETWEEN THE SECOND AND THIRD FLOORS AND A PAINTED SIGN ABOVE THE DIGITAL BILLBOARD COMPARABLE TO BITTENBENDER'S SIGNAGE, SITUATED AT 134 FRANKLIN AVENUE, SCRANTON, PA 18503.

Respectfully,

Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

RESOLUTION NO. \_\_\_\_\_

2017

**AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A MASTER LEASE AGREEMENT BETWEEN THE CITY OF SCRANTON, HEREINAFTER DESIGNATED (“LESSOR”) AND NEW CINGULAR WIRELESS PCS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, WITH ITS PRINCIPAL OFFICES AT 575 MOROSGO DRIVE, ATLANTA, GA 30324, HEREINAFTER DESIGNATED (“LESSEE”) TO LEASE SPACE TO LESSEE WITH RESPECT TO PARTICULAR SITES AT WHICH LESSEE WISHES TO INSTALL, MAINTAIN, AND OPERATE, SMALL CELL COMMUNICATIONS EQUIPMENT, AS WELL AS ANY AND ALL NECESSARY LEASE SUPPLEMENTS OUTLINED HEREIN.**

WHEREAS, Lessor is the owner of or holds a leasehold interest in certain buildings, light poles, utility poles, traffic control poles, facilities, rights of way and/or real property which are located within the geographic area of a license to provide wireless services licensed by the Federal Communications Commission (“FCC”) to Lessee; and

WHEREAS, Lessee desires to install, maintain, and operate small cell communications equipment in and/or upon certain of Lessor’s buildings, light poles, utility poles, traffic control poles, facilities, rights of way and/or real property; and

WHEREAS, Lessor and Lessee desire to enter into this Agreement to define the general terms and conditions which would govern their relationship with respect to particular sites at which Lessor may wish to permit Lessee to install, maintain, and operate small cell communications equipment as herein after set forth; and

WHEREAS, Lessor and Lessee acknowledge that they will enter into a Lease Supplement (“Supplement”) substantially in the form as attached hereto as Exhibit “A”. Lessee proposes to lease said space as outlined in Exhibit “B” attached hereto

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON** that the Mayor and other appropriate City officials are hereby authorized to execute and enter into the attached Master Lease Agreement between the City of Scranton (Lessor) and New Cingular Wireless PCS, LLC (Lessee) to lease space to Lessee with respect to particular sites at which Lessee wishes to install, maintain, and operate small cell communications equipment as well as any and all Lease Supplements for the locations in Exhibit “B” attached hereto.

**SECTION 1.** If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intend of this Resolution and the effective administration thereof.

**SECTION 2.** This Resolution shall become effective immediately upon approval.

**SECTION 3.** This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

## MASTER LEASE AGREEMENT

This Master Lease Agreement (the "Agreement") made this \_\_\_ day of \_\_\_\_\_, 2017 between The City of Scranton, having an address of 340 North Washington Street; Scranton PA 18501, , hereinafter designated LESSOR, and New Cingular Wireless PCS, LLC, a Delaware limited liability company, with its principal offices at 575 Morosgo Drive, Atlanta, GA 30324 , hereinafter designated LESSEE. LESSOR and LESSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

### WITNESSETH

WHEREAS, LESSOR is the owner of or holds a leasehold interest in certain buildings, light poles, utility poles, traffic control poles, facilities, rights of way and/or real property which are located within the geographic area of a license to provide wireless services licensed by the Federal Communications Commission ("FCC") to LESSEE; and

WHEREAS, LESSEE desires to install, maintain and operate communications equipment in and/or upon certain of LESSOR's buildings, light poles, utility poles, traffic control poles, facilities, rights of way and/or real property; and

WHEREAS, LESSOR and LESSEE desire to enter into this Agreement to define the general terms and conditions which would govern their relationship with respect to particular sites at which LESSOR may wish to permit LESSEE to install, maintain and operate communications equipment as hereinafter set forth; and

WHEREAS, LESSOR and LESSEE acknowledge that they will enter into a lease supplement ("Supplement"), a copy of which is attached hereto as Exhibit A, with respect to any particular location or site which the Parties agree to lease; and

WHEREAS, the Parties acknowledge that different related entities may operate or conduct the business of LESSOR and LESSEE in different geographic areas and as a result, each Supplement may be signed by LESSEE and LESSOR's affiliated entities as further described herein, as appropriate based upon the ownership or other interest in the subject building or facility, in the case of LESSOR, and the entity holding the FCC license in the subject geographic location, in the case of LESSEE.

NOW THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the Parties hereto agree as follows:

1. PREMISES.
  - a. Pursuant to all of the terms and conditions of this Agreement and the applicable Supplement, LESSOR agrees to lease to LESSEE certain space on or upon LESSOR's buildings, light poles, utility poles, traffic control poles, facilities, rights of way and/or real property as more fully described in each Supplement to be executed by the Parties, hereinafter referred to as the "Premises" for the

installation, operation and maintenance of communications equipment; together with the non-exclusive right of ingress and egress from a public right-of-way, seven (7) days a week, twenty four (24) hours a day, over the LESSOR's property, hereinafter referred to as the "Property" and to and from the Premises for the purpose of installation, operation, modification, replacement and maintenance of LESSEE's communications facility, along with the right to use the public rights-of-way as described in Paragraph 27 below. In the event there are not sufficient electric and telephone, cable or fiber utility sources located at the Premises or on the Property, LESSOR agrees to grant LESSEE or the local utility provider the right to install such utilities on, over and/or under the Property and to the Premises as necessary for LESSEE to operate its communications facility, provided the location of such utilities shall be as reasonably designated by LESSOR.

b. LESSOR would like to integrate the small cell technology with their WI-FI electric light system. In furtherance of this, LESSOR would like to install WI-FI electric lights on certain of LESSEE's communications facilities, so long as such installation: (i) does not interfere with LESSEE's intended use of such communications facility; (ii) is submitted for review to LESSEE first, which review shall be completed within a reasonable time period after submittal; (iii) is approved by LESSEE, (iv) LESSOR coordinates with LESSEE in regards to the time of intended construction and receives prior approval for any time LESSOR needs to service, modify or upgrade such installation; and (v) any such service, modification or upgrade is performed at LESSOR's sole cost and expense.

2. CONDITION OF PROPERTY. LESSOR shall deliver the Premises to LESSEE in a condition ready for LESSEE's construction of its improvements. LESSOR represents and warrants to LESSEE that as of the Effective Date of each Supplement and continuing throughout the Term of each Supplement (as hereinafter defined): (a) the building, light pole, utility pole, traffic control pole, facility, right-of-way and/or real property, as the case may be, is (i) in good condition and structurally sound; and (ii) in compliance with all Laws (as defined in Paragraph 24 below), including any applicable building codes, regulations, or ordinances which may exist; and (b) the Property is free of all lead-based paint, asbestos or other hazardous substances, as such term may be defined under any applicable federal, state or local law. If a breach of the representations and warranties contained in this Paragraph 2 is discovered at any time during the Term of a particular Supplement, LESSOR shall, promptly after receipt of written notice from LESSEE setting forth a description of such non-compliance, rectify same at LESSOR's expense.

3. TERM; RENTAL. This Agreement shall be for a term of twenty-five (25) years commencing upon the execution hereof by both Parties. Each Supplement shall be effective as of the date of execution by both Parties (the "Effective Date"), provided, however, the initial term of each Supplement shall be for five (5) years and shall commence on the first day of the month following the day that LESSEE commences installation of the equipment on the Premises (the "Commencement Date") at which time rental payments shall commence and be due at a total annual rental of One Thousand Two Hundred and 00/100 Dollars (\$1,200.00), to be paid in advance annually on the Commencement Date and on each anniversary of it in advance, to the payee designated by LESSOR in the Supplement or to such other person, firm or place as LESSOR may, from time to time, designate in writing at least thirty (30) days in advance of any rental payment date by notice given in accordance with Paragraph 18 below. The annual rental for each extension term will be increased at the rate of fifteen percent (15%) of the annual rental for the previous term. LESSOR and LESSEE

acknowledge and agree that the initial rental payment for each Supplement shall not actually be sent by LESSEE until thirty (30) days after the Commencement Date. LESSOR and LESSEE agree that they shall acknowledge in writing the Commencement Date of each Supplement.

Upon agreement of the Parties, LESSEE may pay rent by electronic funds transfer and in such event, LESSOR agrees to provide to LESSEE bank routing information for such purpose upon request of LESSEE.

LESSOR hereby agrees to provide to LESSEE certain documentation (the "Rental Documentation") including without limitation: (i) documentation evidencing LESSOR's good and sufficient title to and/or interest in the Property and right to receive rental payments and other benefit under each Supplement; (ii) a completed Internal Revenue Service Form W-9, or equivalent for any party to whom rental payments are to be made pursuant to this Agreement or a Supplement; and (iii) other documentation requested by LESSEE and within fifteen (15) days of obtaining an interest in any Property, Supplement or this Agreement, any assignee(s), transferee(s) or other successor(s) in interest of LESSOR shall provide to LESSEE such Rental Documentation. All documentation shall be acceptable to LESSEE in LESSEE's reasonable discretion. Delivery of Rental Documentation to LESSEE shall be a prerequisite for the payment of any rent by LESSEE and notwithstanding anything to the contrary herein or in any Supplement, LESSEE shall have no obligation to make any rental payments until Rental Documentation has been supplied to LESSEE as provided herein.

Within thirty (30) days of a written request from LESSEE, LESSOR or any assignee(s) or transferee(s) of LESSOR agrees to provide updated Rental Documentation. Delivery of Rental Documentation to LESSEE shall be a prerequisite for the payment of any rent by LESSEE to such party and notwithstanding anything to the contrary herein or in any Supplement, LESSEE shall have no obligation to make any rental payments until Rental Documentation has been supplied to LESSEE as provided herein.

44. ADDITIONAL RENT ("Capital Costs"). As additional rent, LESSEE further agrees to pay LESSOR a non-refundable one-time payment of Five Thousand and 00/100 (\$5,000.00) dollars on each of the first ten (10) fully executed Supplements, which shall be due and payable within thirty (30) days of the commencement of construction of the Supplement ("Capital Costs"). The parties understand and agree that the Capital Costs are being paid to LESSOR to reimburse LESSOR for fees incurred in the performance of this Agreement, and no further Capital Costs shall be payable to LESSOR beyond the first ten (10) fully executed Supplement. The cumulative sum of Capital Costs paid by LESSEE to LESSOR shall not exceed Fifty Thousand and 00/100 (\$50,000.00) dollars.

5. ELECTRICAL. LESSOR shall, at all times during the Term of each Supplement, provide electrical service and telephone service access within the Premises. If permitted by the local utility company servicing the Premises, LESSEE shall furnish and install an electrical meter at the Premises for the measurement of electrical power used by LESSEE's installation. In the alternative, if permitted by the local utility company servicing the Premises, LESSEE shall furnish and install an electrical sub-meter at the Premises for the measurement of electrical power used by LESSEE's installation. In the event such sub-meter is installed, the LESSEE shall pay the utility directly for its power consumption,

if billed by the utility, and if not billed by the utility, then LESSEE shall pay an estimated utilities charge of Fifty Dollars (\$50.00) per month to LESSOR.

LESSEE shall be permitted at any time during the Term of each Supplement, to install, maintain and/or provide access to and use of, as necessary (during any power interruption at the Premises), a temporary power source, and all related equipment and appurtenances within the Premises, or elsewhere on the Property in such locations as reasonably approved by LESSOR. LESSEE shall have the right to install conduits connecting the temporary power source and related appurtenances to the Premises.

6. EXTENSIONS. Each Supplement shall automatically be extended for four (4) additional five (5) year terms unless LESSEE terminates it at the end of the then current term by giving LESSOR written notice of the intent to terminate at least three (3) months prior to the end of the then current term. The initial term and all extensions under a Supplement shall be collectively referred to herein as the "Term". Notwithstanding anything herein, after the expiration of this Agreement, its terms and conditions shall survive and govern with respect to any remaining Supplements in effect until their expiration or termination.

7. USE; GOVERNMENTAL APPROVALS. LESSEE shall use the Premises for the purpose of constructing, maintaining, repairing and operating a communications facility and uses incidental thereto. LESSEE shall have the right, without payment of any additional, rental, Capital Costs or other fee, to replace, repair, add or otherwise modify its utilities, equipment, antennas and/or conduits or any portion thereof and the frequencies over which the equipment operates, whether the equipment, antennas, conduits or frequencies are specified or not on any exhibit attached to a Supplement, during the Term. It is understood and agreed that LESSEE's ability to use the Premises is contingent upon its obtaining after the execution date of each Supplement all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or Local authorities as well as a satisfactory building structural analysis which will permit LESSEE use of the Premises as set forth above. LESSOR shall cooperate with LESSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use thereof by LESSEE. In the event that (i) any of such applications for such Governmental Approvals should be finally rejected; (ii) any Governmental Approval issued to LESSEE is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; and (iii) LESSEE determines that such Governmental Approvals may not be obtained in a timely manner, LESSEE shall have the right to terminate the applicable Supplement. Notice of LESSEE's exercise of its right to terminate shall be given to LESSOR in accordance with the notice provisions set forth in Paragraph 18 and shall be effective upon the mailing of such notice by LESSEE, or upon such later date as designated by LESSEE. All rentals paid to said termination date shall be retained by LESSOR. Upon such termination, the applicable Supplement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other thereunder. Otherwise, the LESSEE shall have no further obligations for the payment of rent to LESSOR for the terminated Supplement.

8. INDEMNIFICATION. Subject to Paragraph 9 below, each Party shall indemnify and hold the other harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the negligence or willful misconduct of the indemnifying Party, its employees, contractors or agents, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of the other Party, or its employees, contractors or agents.

9. INSURANCE.

a. The Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Premises or to the Property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.

b. LESSOR and LESSEE each agree that at its own cost and expense, each will maintain commercial general liability insurance on an ISO CGL form 00 01 or equivalent with limits of \$1,000,000 for injury to or death of one or more persons and for damage or destruction to property in any one occurrence and \$2,000,000 policy aggregate. LESSOR and LESSEE each agree that it will include the other Party as an additional insured.

Notwithstanding the forgoing, LESSEE may, in its sole discretion, self-insure any of the required insurance under the same terms as required by this Agreement. In the event LESSEE elects to self-insure its obligation under this Agreement to include LESSOR as an additional insured, the following conditions apply: (i) LESSOR shall promptly and no later than thirty (30) days after notice thereof provide LESSEE with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Paragraph and provide LESSEE with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) LESSOR shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of LESSEE; and (iii) LESSOR shall fully cooperate with LESSEE in the defense of the claim, demand, lawsuit, or the like.

10. LIMITATION OF LIABILITY. Except for indemnification pursuant to Paragraphs 8 and 22, neither Party shall be liable to the other, or any of their respective agents, representatives, employees for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

11. ANNUAL TERMINATION. Notwithstanding anything to the contrary contained herein, provided LESSEE is not in default hereunder beyond applicable notice and cure periods, LESSEE shall

have the right to terminate each Supplement upon the annual anniversary of the Commencement Date provided that three (3) months prior notice is given to LESSOR.

12. INTERFERENCE. LESSEE agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to any equipment of LESSOR or other lessees of the Property which existed on the Property prior to the date this Agreement is executed by the Parties. In the event any after-installed LESSEE's equipment causes such interference, and after LESSOR has notified LESSEE in writing of such interference, LESSEE will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, at LESSEE's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will LESSOR be entitled to terminate a Supplement or relocate the equipment as long as LESSEE is making a good faith effort to remedy the interference issue. LESSOR agrees that LESSOR and/or any other tenants of the Property who currently have or in the future take possession of the Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of LESSEE. In the event LESSOR and/or any other tenants of the Property cause harmful interference which is measurable in accordance with then existing industry standards to LESSEE, and after LESSEE has notified LESSOR in writing of such interference, LESSOR will take all commercially reasonable steps necessary to correct and eliminate the interference. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

13. REMOVAL AT END OF TERM. LESSEE shall, upon expiration of the Term, or within ninety (90) days after any earlier termination of a Supplement, remove its equipment, conduits, fixtures and all personal property and restore the Premises to its original condition, reasonable wear and tear and casualty damage excepted. LESSOR agrees and acknowledges that all of the equipment, conduits, fixtures and personal property of LESSEE shall remain the personal property of LESSEE and LESSEE shall have the right to remove the same at any time during the Term, whether or not said items are considered fixtures and attachments to real property under applicable laws. If such time for removal causes LESSEE to remain on the Premises after termination of the Supplement, LESSEE shall pay rent at the then existing monthly rate or on the existing monthly pro-rata basis if based upon a longer payment term, until such time as the removal of the antenna structure, fixtures and all personal property are completed.

14. RIGHT OF FIRST REFUSAL (COMMUNICATIONS EASEMENT). If LESSOR elects, during the Term of any Supplement to grant to a third party by easement or other legal instrument an interest in and to that portion of the building and/or Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, with or without an assignment of the Supplement to such third party, LESSEE shall have the right of first refusal to meet any bona fide offer of transfer on the same terms and conditions of such offer. If LESSEE fails to meet such bona fide offer within thirty (30) days after written notice thereof from LESSOR, LESSOR may grant the easement or interest in the Property or

portion thereof to such third person in accordance with the terms and conditions of such third party offer.

15. RIGHTS UPON SALE. Should LESSOR, at any time during the Term of any Supplement decide (i) to sell or transfer all or any part of the Property or the Premises thereon to a purchaser other than LESSEE, or (ii) to grant to a third party by easement or other legal instrument an interest in and to that portion of the Premises and or Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, such sale or grant of an easement or interest therein shall be under and subject to the Supplement and any such purchaser or transferee shall recognize LESSEE's rights hereunder and under the terms of the Supplement. In the event that LESSOR completes any such sale, transfer, or grant described in this paragraph without executing an assignment of the Supplement whereby the third party agrees in writing to assume all obligations of LESSOR under the Supplement, then LESSOR shall not be released from its obligations to LESSEE under the Supplement, and LESSEE shall have the right to look to LESSOR and the third party for the full performance of the Supplement.

16. QUIET ENJOYMENT AND REPRESENTATIONS. LESSOR covenants that LESSEE, on paying the rent and performing the covenants herein and in a Supplement, shall peaceably and quietly have, hold and enjoy the Premises. LESSOR represents and warrants to LESSEE as of the execution date of each Supplement, and covenants during the Term that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute the Supplement. LESSOR further covenants during the Term that there are no liens, judgments or impediments of title on the Property, or affecting LESSOR's title to the same and that there are no covenants, easements or restrictions which prevent or adversely affect the use or occupancy of the Premises by LESSEE as set forth above.

17. ASSIGNMENT. This Agreement and each Supplement under it may be sold, assigned or transferred by the LESSEE without any approval or consent of the LESSOR to the LESSEE's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the FCC in which the Property is located by reason of a merger, acquisition or other business reorganization. As to other parties, this Agreement and each Supplement may not be sold, assigned or transferred without the written consent of the LESSOR, which such consent will not be unreasonably withheld, delayed or conditioned. No change of stock ownership, partnership interest or control of LESSEE or transfer upon partnership or corporate dissolution of LESSEE shall constitute an assignment hereunder.

18. NOTICES. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LESSOR: The City of Scranton  
340 North Washington Street  
Scranton, Pennsylvania 18501

LESSEE: AT&T Network Real Estate Administration  
Re: Cell Site #: \_\_\_\_\_; Cell Site Name: \_\_\_\_\_  
Fixed Asset No: \_\_\_\_\_  
575 Morosgo Drive  
Atlanta, GA 30324

With a copy to:

AT&T Legal Department-Network  
Attn.: Network Counsel  
Re: Cell Site #: \_\_\_\_\_; Cell Site Name: \_\_\_\_\_  
Fixed Asset No: \_\_\_\_\_  
208 South Akard Street  
Dallas, TX 75202-4206

AT&T Mobility Corporation  
Attn: Lease Administration, Mail Drop 370  
Re: Cell Site #: \_\_\_\_\_; Cell Site Name: \_\_\_\_\_  
Fixed Asset No: \_\_\_\_\_  
200 North Warner Road  
King of Prussia, PA 1940 North6

The copy sent to the Legal Department is an administrative step which alone does not constitute legal notice.

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

19. RECORDING. LESSOR agrees to execute a Memorandum of each Supplement which LESSEE may record with the appropriate recording officer. The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or rent payments.

20. DEFAULT. In the event there is a breach by a Party with respect to any of the provisions of this Agreement or its obligations under it, the non-breaching Party shall give the breaching Party written notice of such breach. After receipt of such written notice, the breaching Party shall have thirty (30) days in which to cure any breach, provided the breaching Party shall have such extended period as may be required beyond the thirty (30) days if the breaching Party commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. The non-breaching Party may not maintain any action or effect any remedies for default against the breaching Party unless and until the breaching Party has failed to cure the breach within the time periods provided in this Paragraph. Notwithstanding the foregoing to the contrary, it shall be a default under this Agreement if LESSOR fails, within five (5) days after receipt of written notice of such breach, to perform an

obligation required to be performed by LESSOR if the failure to perform such an obligation interferes with LESSEE's ability to conduct its business in the building; right-of-way, or on the real property or pole provided, however, that if the nature of LESSOR's obligation is such that more than five (5) days after such notice is reasonably required for its performance, then it shall not be a default under this Agreement if performance is commenced within such five (5) day period and thereafter diligently pursued to completion.

21. REMEDIES. In the event of a default by either Party with respect to a material provision of this Agreement, including but not limited to uncured interference under Section 12 of this Agreement, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non-defaulting Party may terminate the applicable Supplement and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Premises are located. Further, upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefor. If LESSEE undertakes any such performance on LESSOR's behalf and LESSOR does not pay LESSEE the full undisputed amount within thirty (30) days of its receipt of an invoice setting forth the amount due, LESSEE may offset the full undisputed amount due against all fees due and owing to LESSOR under the applicable Supplement until the full undisputed amount is fully reimbursed to LESSEE.

## 22. ENVIRONMENTAL.

a. LESSOR will be responsible for all obligations of compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or concerns as may now or at any time hereafter be in effect, that are or were in any way related to activity now conducted in, on, or in any way related to the building, right-of-way, pole or Property, unless such conditions or concerns are caused by the specific activities of LESSEE in the Premises.

b. LESSOR shall hold LESSEE harmless and indemnify LESSEE from and assume all duties, responsibility and liability at LESSOR's sole cost and expense, for all duties, responsibilities, and liability (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to: a) failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, unless such non-compliance results from conditions caused by LESSEE; and b) any environmental or industrial hygiene conditions arising out of or in any way related to

the condition of the building, right-of-way, pole or Property or activities conducted thereon, unless such environmental conditions are caused by LESSEE.

c. LESSEE shall hold LESSOR harmless and indemnify LESSOR from and assume all duties, responsibility and liability at LESSEE's sole cost and expense, for all duties, responsibilities, and liability (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to: a) failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, to the extent that such non-compliance results from conditions caused by LESSEE; and b) any environmental or industrial hygiene conditions arising out of or in any way related to the condition of the building, right-of-way, pole or Property or activities conducted thereon, to the extent that such environmental conditions are caused by LESSEE.

23. CASUALTY. In the event of damage by fire or other casualty to the building, right-of-way, pole or Premises that cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Property is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, then LESSEE may, at any time following such fire or other casualty, provided LESSOR has not completed the restoration required to permit LESSEE to resume its operation at the Premises, terminate the Supplement upon fifteen (15) days prior written notice to LESSOR. Any such notice of termination shall cause the Supplement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of the Supplement and the Parties shall make an appropriate adjustment, as of such termination date, with respect to payments due to the other under the Supplement. Notwithstanding the foregoing, the rent shall abate during the period of repair following such fire or other casualty in proportion to the degree to which LESSEE's use of the Premises is impaired.

24. APPLICABLE LAWS. During the Term, LESSOR shall maintain the building, light pole, utility pole, traffic control pole, facility, right-of-way and/or real property, as the case may be, in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record, permits, building codes, and the requirements of any applicable fire insurance underwriter or rating bureau, now in effect or which may hereafter come into effect (including, without limitation, the Americans with Disabilities Act and laws regulating hazardous substances) (collectively "Laws"). LESSEE shall, in respect to the condition of the Premises and at LESSEE's sole cost and expense, comply with (a) all Laws relating solely to LESSEE's specific and unique nature of use of the Premises; and (b) all building codes requiring modifications to the Premises due to the improvements being made by LESSEE in the Premises. It shall be LESSOR's obligation to comply with all Laws relating to the building, light pole, utility pole, traffic control pole, facility, right-of-way and/or real property, as the case may be, in general, without regard to

specific use (including, without limitation, modifications required to enable LESSEE to obtain all necessary building permits).

25. AUTHORIZED ENTITIES. This Agreement is entered into by the Parties each on its own behalf and for the benefit of: (i) any entity in which the Party directly or indirectly holds an equity or similar interest; (ii) any entity which directly or indirectly holds an equity or similar interest in the Party; or (iii) any entity directly or indirectly under common control with the Party. Each Party and each of the entities described above are referred to herein as an "Authorized Entity". No obligation is incurred or liability accepted by any Authorized Entity until that Authorized Entity enters into a site specific Supplement. Only the Party and the Authorized Entity executing a Supplement are responsible for the obligations and liabilities related thereto arising under that Supplement and this Agreement. All communications and invoices relating to a Supplement must be directed to the Authorized Entity signing the Supplement. A default by any Authorized Entity will not constitute or serve as a basis for a default by any other Authorized Entity not a party to the applicable Supplement.

26. MISCELLANEOUS. This Agreement and the Supplements that may be executed from time to time hereunder contain all agreements, promises and understandings between the LESSOR and the LESSEE regarding this transaction, and no oral agreement, promises or understandings shall be binding upon either the LESSOR or the LESSEE in any dispute, controversy or proceeding. This Agreement may not be amended or varied except in a writing signed by all Parties. This Agreement shall extend to and bind the heirs, personal representatives, successors and assigns hereto. The failure of either party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights hereunder shall not waive such rights and such party shall have the right to enforce such rights at any time. The performance of this Agreement via each Supplement shall be governed interpreted, construed and regulated by the laws of the state in which the Premises is located without reference to its choice of law rules.

27. USE OF PUBLIC RIGHTS-OF-WAY.

a. LESSOR hereby grants to LESSEE the right to use the municipal public rights-of-way for the installation, maintenance and operation of LESSEE's communications equipment in and/or upon light poles, utility poles, traffic control poles, facilities, rights-of-way and/or real property, as the case may be, owned by LESSOR or by third parties and located within said public right-of-way. LESSOR agrees that the annual rental as described in Paragraph 3 above includes any fee or rent associated with LESSEE's use of the public rights-of-way, and in no event shall LESSEE be obligated to pay LESSOR any other rent or fee in connection with such use of any of the public rights-of-way.

b. This Agreement shall allow LESSEE to perform all work on LESSEE's communications equipment within the public rights-of-way and to park vehicles in the streets and other public rights-of-way when necessary for the installation, replacement, operation, maintenance or removal of LESSEE's communications equipment. LESSEE and contractors performing work for LESSEE shall not be required to pay any fee in order to

perform work on LESSEE's communications equipment, or park within the streets and other public rights-of-way.

c. In the event, a pole does not exist in the public right-of-way or the poles that do exist cannot accommodate LESSEE's loading, LESSEE may set a new pole or poles within the public right-of-way, in compliance with applicable Laws.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seal the day and year first above written.

**"LESSOR"**

The City of Scranton

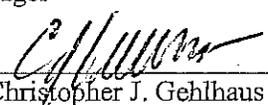
By: \_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
WITNESS

**"LESSEE"**

New Cingular Wireless PCS, LLC  
By: AT&T Mobility Corporation  
Its: Manager

By:   
Name: Christopher J. Gehlhaus

Title: Sr. Real Estate and Construction  
Manager

Date: 11/10/17

  
WITNESS

CITY OF SCRANTON

ATTEST:

BY: \_\_\_\_\_  
Lori Reed, City Clerk

BY: \_\_\_\_\_  
William L. Courtright, Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Roseann Novembrino, City Controller

Date: \_\_\_\_\_

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
Jessica L. Eskra, Esq., City Solicitor

Date: \_\_\_\_\_

EXHIBIT "A"  
LEASE SUPPLEMENT

This Lease Supplement ("Supplement"), is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between The City of Scranton, having an address of 340 North Washington Street, Scranton, Pennsylvania 18711 ("Lessor"), and New Cingular Wireless PCS, LLC, a Delaware limited liability company, whose principal place of business is 575 Morosgo Drive, Atlanta, GA 30324 ("Lessee").

1. Master Lease Agreement. This Supplement is a Supplement as referenced in that certain Master Lease Agreement between The City of Scranton and New Cingular Wireless PCS, LLC, dated \_\_\_\_\_, 20\_\_\_\_, (the "Agreement"), All of the terms and conditions of the Agreement are incorporated herein by reference and made a part hereof without the necessity of repeating or attaching the Agreement. In the event of a contradiction, modification or inconsistency between the terms of the Agreement and this Supplement, the terms of this Supplement shall govern. Capitalized terms used in this Supplement shall have the same meaning described for them in the Agreement unless otherwise indicated herein.

2. Premises. Lessor hereby leases to Lessee certain spaces on and within Lessor's Property located at \_\_\_\_\_. The Premises leased by the LESSOR to the LESSEE hereunder is shown on Exhibit "1" attached hereto and made a part hereof.

3. Term. The Commencement Date and the Term of this Supplement shall be as set forth in the Agreement.

4. Consideration. Rent under this Supplement shall be One Thousand Two Hundred and 00/100 Dollars (\$1,200.00) per year, payable to The City of Scranton at 340 North Washington Avenue, Scranton, Pennsylvania 18711. The annual rental for each extension term will be increased at the rate of fifteen percent (15%) of the annual rental for the previous term.

5. Site-Specific Terms. (Include any site-specific terms)

\* The following subsection 5 (a) shall be added to the first ten (10) Supplements **only** that are signed between the Parties:

a. ADDITIONAL RENT ("Capital Costs"). As additional rent, LESSEE further agrees to pay LESSOR a non-refundable one-time payment of Five Thousand and 00/100 dollars (\$5,000.00) on the first ten (10) fully executed Supplements, which shall be due and payable within thirty (30) days of the commencement of construction under the applicable Supplement ("Capital Costs"). The parties understand and agree that the Capital Costs are being paid to LESSOR to reimburse LESSOR for fees incurred in the performance of this Agreement, and no further Capital Costs shall be payable to LESSOR beyond the first ten (10) fully executed Supplements. The cumulative Sum of Capital Costs paid by LESSEE to LESSOR shall not exceed Fifty Thousand and 00/100 (\$50,000.00).

This Supplement is the \_\_\_\_\_ Supplement entered into between the Parties.

Doc #02-567516.2

IN WITNESS WHEREOF, the Parties hereto have set their hand and affixed their respective seal the day and year first above written.

*[Signature Page To Follow]*

Doc #02-567516.2

**“LESSOR”**

City of Scranton

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
WITNESS

**“LESSEE”**

New Cingular Wireless PCS, LLC

By: AT&T Mobility Corporation

Its: Manager

By: \_\_\_\_\_  
Name: Christopher J. Gehlhaus

Title: Sr. Real Estate and Construction  
Manager

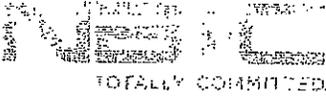
Date: \_\_\_\_\_

\_\_\_\_\_  
WITNESS



EXHIBIT 1  
SITE PLAN OF PREMISES

September 29, 2017



Joseph Price  
Assistant City Solicitor  
340 North Washington Avenue  
Scranton, PA 18503

RE: AT&T small cells and City of Scranton

Mr. Price:

Network Building and Consulting is contracted by AT&T for project management for site acquisition, planning and zoning for the current AT&T expansion of their wireless network. AT&T has an interest in procuring multiple cell site licenses with the City of Scranton for wireless communications facilities.

*At your earliest convenience, I would like a meeting to discuss the project in how it will relate to the City of Scranton regarding the acceptability of the project from the City and financial impact to the City for a revenue stream. Please advise to a mutually agreeable date and time.*

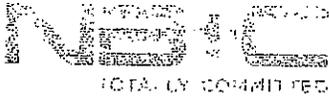
Enclosed find information forwarded to Don King, City Planner, for a resolution for the Council for 3 sites in August 2017 associated with Pennsylvania Department of Transportation. Also enclosed is information to Don King in September for 6 sites within the Scranton ROW (right of way).

At present, there are nine (9) initial small cell/nodes planned within the City:

- Node #1 - Linden Street between intersections of Colfax Ave and Sherwood Court;
- Node #2 - Mulberry Street between Colfax Avenue and Arthur Avenue;
- Node #3 - Pine Street at intersection of Clay Avenue;
- Node #4 - Intersection of route 307 and Meadow Avenue;
- Node #5 - intersection of Jefferson Avenue and E. Gibson Street;
- Node #6 - Intersection at Scranton High School;
- Node #7 - Wyoming Avenue between Ash Street and Popular St;

EXHIBIT

"B"



Node #9 – Mulberry Street between McKenna Court and Quincy Avenue;

Node #10 – West Scranton School in-between Luzerne Street and 12<sup>th</sup> Avenue and Oliver Place.

Node numbers 24, 26 and 29 are placed on a structure with Pennsylvania Department of Transportation. The remaining 6 nodes are the Scranton ROW.

I can be reached by mobile phone at 570-236-6538, email [moser@nbcllc.com](mailto:moser@nbcllc.com) or USPS address of 39 Fairview Avenue, Suite B; Mount Pocono, PA 18344.

Thank you for your time in this matter.

Sincerely,

Mike Oser

enclosures



DEPARTMENT OF LAW

P E N N S Y L V A N I A CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 16, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

NOV 17 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A MASTER LEASE AGREEMENT BETWEEN THE CITY OF SCRANTON, HEREINAFTER DESIGNATED ("LESSOR") AND NEW CINGULAR WIRELESS PCS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, WITH ITS PRINCIPAL OFFICES AT 575 MOROSGO DRIVE, ATLANTA, GA 30324, HEREINAFTER DESIGNATED ("LESSEE") TO LEASE SPACE TO LESSEE WITH RESPECT TO PARTICULAR SITES AT WHICH LESSEE WISHES TO INSTALL, MAINTAIN, AND OPERATE, SMALL CELL COMMUNICATIONS EQUIPMENT, AS WELL AS ANY AND ALL NECESSARY LEASE SUPPLEMENTS OUTLINED HEREIN.

Respectfully,

  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

RESOLUTION NO. \_\_\_\_\_

2017

**APPOINTMENT OF CHRISTE A. CASCIANO, SR., 301 NORTON AVENUE, SCRANTON, PENNSYLVANIA, 18504 AS BUSINESS ADMINISTRATOR EFFECTIVE NOVEMBER 20, 2017. MR. CASCIANO WILL BE REPLACING DAVID BULZONI WHO RESIGNED AS BUSINESS ADMINISTRATOR.**

WHEREAS, David Bulzoni resigned from his position as Business Administrator effective November 11, 2017; and

WHEREAS, the Mayor has appointed Christe A. Casciano, Sr. to fill the position of Dave Bulzoni; and

WHEREAS, Christe A. Casciano, Sr. has the requisite, experience, education and training necessary to serve as Business Administrator of the City of Scranton.

NOW, THEREFORE, BE IT RESOLVED that the appointment of Christe A. Casciano, Sr., 301 Norton Avenue, Scranton, PA is hereby approved as is the execution of any and all documents necessary to formalize that appointment.

**SECTION 1.** If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

**SECTION 2.** This Resolution shall become effective immediately upon approval.

**SECTION 3.** This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



OFFICE OF THE MAYOR

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4101 • FAX: 570-348-4251

November 16, 2017

Danielle Kennedy  
Director of Human Resources/Assistant Business Administrator  
340 North Washington Avenue  
Scranton, PA 18503

Dear Mrs. Kennedy:

Please be advised that I have appointed Christie A. Casciano, Sr., 301 Norton Avenue, Scranton, Pennsylvania 18504 to the position of Business Administrator effective November 20, 2017 to replace David Bulzoni who resigned on November 11, 2017.

Mr. Casciano's salary will be \$90,000.00 yearly. Kindly adjust your records accordingly.

Sincerely,

William L. Courtright  
Mayor, City of Scranton

CC: Roseann Novembrino, City Controller  
Christie Casciano, Sr., Business Administrator  
Kathy McGinn, Payroll  
Debbie Torba, Insurance  
Jessica Eskra, City Solicitor

**MEMORANDUM**

**TO:** Danielle Kennedy, Human Resources Director

**FROM:** David Bulzoni, Business Administrator

**RE:** Departure

**DATE :** November 14, 2017

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Danielle, please accept this memorandum for my file as a confirmation of my departure date of November 11, 2017. This note will confirm the intent of my August 2017 memorandum with more specificity. Thank you again for your patience.

Dave



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

RECEIVED  
NOV 17 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

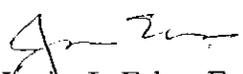
November 16, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING APPOINTMENT OF  
CHRISTE A. CASCIANO, SR., 301 NORTON AVENUE, SCRANTON,  
PENNSYLVANIA, 18504 AS BUSINESS ADMINISTRATOR  
EFFECTIVE NOVEMBER 20, 2017. MR. CASCIANO WILL BE REPLACING  
DAVID BULZONI WHO RESIGNED AS BUSINESS ADMINISTRATOR.

Respectfully,

  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

RESOLUTION NO. \_\_\_\_\_

2017

**AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A COLLECTIVE BARGAINING AGREEMENT WITH LOCAL LODGE 2305 OF THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF A MEMORANDUM OF UNDERSTANDING RATIFIED BY THE MEMBERSHIP.**

WHEREAS, Local Lodge No. 2305 of the International Association of Machinists and Aerospace Workers (the "Union") and the City of Scranton entered into negotiations for the terms of a new Collective Bargaining Agreement; and

WHEREAS, those negotiations resulted in a Memorandum of Understanding setting forth the terms and provisions for a Collective Bargaining Agreement for the period from January 1, 2018 to December 31, 2021, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference thereto titled Memorandum of Understanding between Local Lodge No. 2305 and the City of Scranton; and

WHEREAS, the Union ratified the terms and provisions of the Memorandum of Understanding with a final vote of 65 in favor, and 3 against.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON** that the Mayor and other appropriate City officials are authorized to execute and enter into a Collective Bargaining Agreement with the Local Lodge No. 2305 of the International Association of Machinists and Aerospace Workers in final contract format to be completed by the Parties containing the terms and provisions of the Memorandum of Understanding between Local Lodge No. 2305 of the International Association of Machinists and Aerospace Workers and the City of Scranton attached hereto as Exhibit "A" and incorporated herein by reference thereto.

**SECTION 1.** If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

---

**SECTION 2.** This Resolution shall become effective immediately upon approval.

**SECTION 3.** This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

## Sally Locker

---

**From:** Jessica Boyles  
**Sent:** Thursday, November 16, 2017 4:15 PM  
**To:** Sally Locker  
**Subject:** FW: memorandum of understanding

---

**From:** sam vitris [mailto:sfv2305@outlook.com]  
**Sent:** Thursday, November 16, 2017 3:10 PM  
**To:** Jessica Boyles  
**Subject:** memorandum of understanding

Jess,

as president of local lodge 2305 representing Scranton dpw and recreation we are pleased to inform the city of Scranton that the memorandum of understanding regarding our 2018- 2021 contract has been approved by the membership 65 votes for and 3 against.

Thank you Sam Vitris  
president local 2305



DEPARTMENT OF HUMAN RESOURCES

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4246 • FAX: 570-348-4202

**2018-2021 International Association of Machinists & Aerospace Workers AFL-CIO**

**1. UNAFFECTED PROVISIONS**

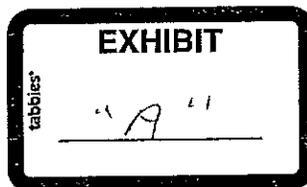
Except as otherwise specifically provided by this Memorandum of Understanding, all terms and conditions of the parties' 2014 – 2017 Collective Bargaining Agreement shall remain in full force and effect for the duration of the successor agreement provided by this Memorandum of Understanding.

**2. EXTENSION OF THE COLLECTIVE BARGAINING AGREEMENT**

The 2014 – 2017 Collective Bargaining Agreement shall be extended for a period of four years, commencing on January 1, 2018 and terminating on December 31, 2021.

**3. EFFECTIVE DATE OF MODIFICATIONS**

Except as specifically provided herein, all modifications to the 2014 – 2017 Collective Bargaining Agreement shall become effective with the pay period next following the mutual ratification of this Memorandum of Understanding.



## MUTUALLY AGREEABLE TERMS

**Article I, Section 4: Probation Period** – All new Employees engaged by the City shall be deemed on a probation period for the first forty-five (45) days, with a potential fifteen (15) day extension when requested in writing to the Union. All such Employees may be dismissed during said trial period without cause. After the said trial period, all new Employees shall become regular Employees.

**Article III Union Security, Section 1:** As a condition of employment, all employees covered by this Agreement shall, forty-five (45) days after the date of the execution of this Agreement, or in the case of new employees, forty-five (45) days after the date of hiring, become members of the Union and remain members in good standing in the Union during the term of this Agreement. The City may require a fifteen (15) day extension when requested in writing to the Union.

**Article VI Discipline and Discharge, Section 3(10):** Failure of an employee to notify the Director of the Department of an infraction that may effect his Commercial Driver's License.

**Article VI Discipline and Discharge, Section 5(10):** Failure of an employee to notify the Director of the Department of a revocation of his Commercial Driver's License.

**Article VII Safety, Section 4:** The Directors of the Departments of Public Works and Parks and Recreation or his designated representative designated by the Union may meet monthly with the Director of the Department and/or designated City official along with designated Union official to discuss safety matters during the last hour of the bargaining members' work day.

**Article XI Seniority, Section 7(B):** All postings will be posted behind a locked glass cabinet in the Department of Public Works. The posting will state the number of jobs to be filled, the shift on which the work is to be done, the rates of pay for each job and the qualifications required to fill the position. Any Employee within the department may sign the posting so long as the Employee is deemed qualified and medically capable within two weeks of the end of the posting period.

**Article XI Seniority, Section 7(D):** The qualified bidder with the highest seniority shall be selected to fill the job for a trial period of not less than three (3) working days inclusive of any time off (e.g. sick, personal, vacation and holidays) with the option to extend the trial period for skilled positions by mutual agreement.

**Article XI Seniority, Section 9:** When a job opening is posted and successfully bid by an employee from the departments and another vacancy is created, that vacancy, if it is to be filled by the discretion of the City, it shall be posted and the procedure shall be followed until one (1) posting has occurred. Any vacancies created after the one posting shall be filled at the discretion of the Director of the Department.

**Article XII Working Conditions, Section 3:** All future assignments of routes and vehicles in the Bureau of Refuse, Recycling and Highways where a specific route is designated will be in conjunction with the bidding procedure. The City reserves the right to establish and/or restructure routes in accordance with the Collective Bargaining Agreement. The City reserves the right where a specific vehicle is designated to assign any employee within the Bargaining Unit to operate such vehicle when it deems necessary. (e.g. The most qualified senior operator in performance of demolition.)

**Article XV Wages, Section 1:** Base wage rates shall be increased by 2% each year on January 1<sup>st</sup> for the life of the contract. Heavy Equipment Operators will receive \$1.00 more per hour while operating the excavator in performance of demolition duties. Chauffer classification shall receive the same rate of pay per hour as Pacmaster Operator while in performance of snow removal duties.

**Article XVI Pension Plan, Section 1:** The City agrees to contribute to the I.A.M. National Pension Fund, Benefit Plan "A" for each employee employed in a job classification covered by the said Collective Bargaining Agreement for each day or portion thereof for which an employee receives pay. The City shall make a contribution of \$18.80 to the above named pension fund, but not more than \$94.00 per week for any one employee (5 X Daily Rate). Effective January 1, 2018, this contribution shall be increased by \$.10 per hour and by an additional \$.10 per hour on January 1, 2019. Effective January 1, 2020, this contribution shall be increased by \$.10 per hour and by an additional \$.10 per hour on January 1, 2021.

**Article XVII Sick Leave, Section 4:** Any employee who is off work as a result of an illness or injury for more than three consecutive days or who exhibits sick leave abuse shall be required to furnish a doctor's certificate concerning the illness or injury immediately upon returning to work. The City may refuse to pay the employee if the doctor's certificate is not provided on the date of his return. Additionally, employees with no sick time available will be disciplined accordingly.

**Article XVII Sick Leave, Section 6:** Any unused sick days can be carried over and accumulated from one calendar year to the next to a maximum of two hundred forty (240) days. Any employee who retires shall be entitled to receive a payout for up to one hundred twenty (120) days in accordance with their years of service as set forth in Section 13.

**Article XVII Sick Leave, Section 12(C):** All sick leaves without pay will be designated as leave under the provisions of The Family Medical Leave Act (FMLA) of 1993. FMLA and Short Term Disability shall run concurrently.

**Article XIX Vacations, Section 3:** Eligibility for vacation shall be based upon an employee's seniority. The Director of the Department of Public Works shall, in his sole discretion, determine how many employees shall be entitled to vacation in any particular week. An employee shall be

required to provide twenty-four (24) hours notice to the City of the use of a vacation day unless prevented from doing so by reasons that are beyond the employee's control.

**Article XX Welfare Provisions, Section 1:** Increase the face value of life insurance policies for retirees from \$7,500 to \$10,000.

**Article XX Welfare Provisions, Section 2, Retiree Health Insurance:** Change three (3) year healthcare coverage after retirement for those hired between 12/31/95 and 1/1/98 to 1/1/99 (affects 4 members)

**Article XX Welfare Provisions, Section 8, Retirement:** Employees will be entitled to any increases or changes offered to the Clerical Union. A one thousand two hundred fifty dollar (\$1,250) bonus will be paid to each employee who retires prior to February 1<sup>st</sup> of any calendar year provided said employee will have twenty five (25) years of service in that year.

**Retirement Severance**

15 years of service = \$3,000

20 years of service = \$3,500

25 years of service = \$4,000

30 years of service = \$4,500

35 years of service = \$5,000

**Article XXII Death In Family:** In the case of the death of a member of the immediate family of an employee, the Employer, will protect such employee against loss of his wages on his regular job for up to four (4) scheduled work days lost because of such death, during the period beginning with the date of death and ending three (3) working days after the date of burial. Immediate family shall be defined as: wife, husband, child, step-child, mother, father, step-mother, step-father, sister, brother, grandparents, grandchildren, mother-in-law, father-in-law, step-mother-in-law, step-father-in-law, brother-in-law, sister-in-law, aunt and uncle.

**Article XXVII Work-Related Injury, Section 1:** Add light duty job descriptions

**Article XXVIII Miscellaneous Provisions, Section 2, Drug/Alcohol Testing:** The Drug and Alcohol Policy attached hereto as Exhibit A is adopted.

**2018-2021 Local Lodge 2305 International Association of Machinists & Aerospace Workers  
AFL-CIO modifications agreed to by the undersigned:**

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Local Lodge 2305, President  
International Association of Machinists & Aerospace Workers AFL-CIO

---

Local Lodge 2305, Vice President  
International Association of Machinists & Aerospace Workers AFL-CIO

---

City of Scranton, Director, Human Resources

---

City of Scranton, Mayor

CITY OF SCRANTON

ATTEST:

BY: \_\_\_\_\_  
Lori Reed, City Clerk

BY: \_\_\_\_\_  
William L. Courtright, Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Roseann Novembrino, City Controller

Date: \_\_\_\_\_

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
Jessica L. Eskra, Esq., City Solicitor

Date: \_\_\_\_\_

November 14, 2017

Ms. Danielle Kennedy  
Director of Human Resources  
City of Scranton  
340 North Washington Avenue  
Scranton, PA 18503

Dear Ms. Kennedy:

The Pennsylvania Economy League (PEL), in its role as the City of Scranton's Act 47 Coordinator, is required to review the terms of proposed collective bargaining agreements between the City of Scranton (City) and its collective bargaining units for compliance with the City's adopted 2017 Act 47 Exit Plan. PEL has received for review a proposed memorandum of agreement (MOA) between the City and the City's DPW Collective Bargaining Union (DPW), the International Association of Machinists and Aerospace Workers; the proposed agreement's term is 2018 through 2021. We also received for review a cost calculation memo prepared by you for the City's Solicitor and labor counsel review.

The MOA proposes a two percent (2%) annual wage increase for the term of the agreement. The increase proposes is within the limits projected by the Exit Plan for all years of the agreement. The Exit Plan provided employee health insurance yearly limits and a six percent (6%) per year increase for the term of the Exit Plan. We reviewed the City's health insurance cost estimates provided by you that are based on the current employee population coverage as indicated by the current COBRA rates. The comparison of the pertinent Exit Plan limits and the estimated MOA costs is shown in the table below.

MOA TERM	EXIT PLAN ESTIMATED HEALTHCARE COSTS	CITY ESTIMATED HEALTH INSURANCE BASED ON POPULATION AND CURRENT COBRA RATES WITH ASSUMED 6% INCREASE PER YEAR	EXIT PLAN WAGE LIMITS	MOA ESTIMATED WAGES AT 2% INCREASE PER YEAR
2017	\$ 2,282,403	\$ 1,852,492	\$ 3,732,949	\$ 3,732,949
2018	\$ 2,419,348	\$ 1,963,641	\$ 3,813,102	\$ 3,807,608
2019	\$ 2,564,509	\$ 2,081,460	\$ 3,900,173	\$ 3,883,760
2020	\$ 2,718,379	\$ 2,206,347	\$ 3,987,258	\$ 3,961,435

Accounting for the above comparisons, it is PEL's conclusion that the proposed DPW agreement submitted to PEL for review substantially complies with the City's adopted Exit Plan.

Ms. Danielle Kennedy

Page Two

November 14, 2017

Please feel free to contact me regarding any items presented above.

Sincerely,

/s/ Gerald E. Cross  
Executive Director



DEPARTMENT OF LAW

PENNSYLVANIA CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

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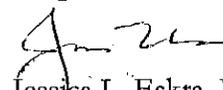
November 16, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A COLLECTIVE BARGAINING AGREEMENT WITH LOCAL LODGE 2305 OF THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF A MEMORANDUM OF UNDERSTANDING RATIFIED BY THE MEMBERSHIP.

Respectfully,

  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl

RESOLUTION NO. \_\_\_\_\_

2017

**AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH HIGHMARK BLUE CROSS BLUE SHIELD TO PROVIDE MEDICAL CLAIMS ADMINISTRATIVE SERVICES TO THE CITY OF SCRANTON FOR THE PERIOD JANUARY 1, 2018 THROUGH DECEMBER 31, 2020.**

WHEREAS, a request for Proposal was advertised to provide medical claims administrative services for the City of Scranton, and only one (1) proposal was submitted for review; and

WHEREAS, after review of the proposal submitted it was determined that it would be in the best interest of the City to award the Contract to Highmark Blue Cross Blue Shield for the reasons provided in the Memo attached hereto from the Director of the Department of Human Resources; and

WHEREAS, the Healthcare Committee has approved and supports the award of the contract to Highmark Blue Cross Blue Shield.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON** that the Mayor and other appropriate City Officials are authorized to execute and enter into a Contract, substantially in the form attached hereto marked as Exhibit "A" and incorporated herein by reference thereto with Highmark Blue Cross Blue Shield to provide medical claims administrative services to the City of Scranton for the period January 1, 2018 through December 31, 2020.

**SECTION 1.** If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intend of this Resolution and the effective administration thereof.

**SECTION 2.** This Resolution shall become effective immediately upon approval.

**SECTION 3.** This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

---

## CONTRACT

This contract entered into this \_\_\_\_ day of \_\_\_\_\_ 2017 effective from \_\_\_\_\_ to \_\_\_\_\_ by and between the City of Scranton, 340 North Washington Avenue, Scranton, PA 18503, hereinafter called "Scranton" and

HIGHMARK BLUE CROSS BLUE SHIELD  
19 NORTH MAIN STREET  
WILKES BARRE, PA. 18711  
PHONE NO. (570) 200-6360

hereinafter called "Contractor".

### WITNESSETH:

WHEREAS, Scranton desires the Contractor to perform certain work and services in accordance with the terms and conditions hereinafter set forth and the Contractor is ready, willing and able to perform such work and services.

NOW THEREFORE, in consideration of the promises contained herein and the promises each to the other made, the parties do agree and intend to be legally bound as follows:

#### ARTICLE I - CATEGORY OF WORK AND SERVICES

The work and services to be performed by Contractor shall be in the general fields of provide medical claims administrative services for City of Scranton TPA/ASO claims The Contractor hereby covenants, contracts and agrees to furnish Scranton with:

MEDICAL CLAIMS ADMINISTRATIVE SERVICES  
FOR THE CITY OF SCRANTON TPA/ASO CLAIMS  
JANUARY 1, 2018 THROUGH DECEMBER 31, 2020  
PER THE ATTACHED BID PROPOSAL AND SCRANTON'S  
SPECIFICATIONS

Said services to be furnished and delivered in strict and entire conformity with Scranton's Specifications marked as Exhibit "A" attached hereto and incorporated herein by reference thereto and the Bid Proposal submitted by Highmark Blue Cross Blue Shield dated October 31, 2017 attached hereto marked as Exhibit "B" and incorporated herein by reference thereto. Said Bid Proposal and Specifications are hereby made part of this Agreement as fully and with the same effect as if set forth at length herein.

#### ARTICLE II - GENERAL

(1) In the performance of the work and services hereunder, the Contractor shall act solely as an independent contractor, and nothing contained or implied shall at any time be so construed as to create the relationship of employer and employee, partnership, principal/agent, or joint adventurer as between Scranton and the Contractor.

(2) Failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights, or of any other rights hereunder.

ARTICLE III - FEES

Said services to be furnished and delivered in strict and entire conformity with the Bid Proposal and Specifications attached hereto. Said Bid Proposal and Specifications are incorporated herein by reference as though set forth at length.

Scranton agrees to pay the Contractor for furnishing the above services if said services are provided in full compliance with the terms and conditions of this Contract to the satisfaction and approval of the Business Administrator. Such approval shall not be unreasonably withheld. The terms and conditions of this contract are set forth herein and may be supplemented by any attachments or exhibits incorporated herein by reference.

ARTICLE IV - INDEMNIFICATION

The Contractor shall indemnify, defend, and hold harmless Scranton from and against any and all claims and actions, based upon or arising out of damage to property or injuries to person or other acts caused or contributed to by Contractor or anyone acting under the Contractor's direction or control or on the Contractor's behalf in the course of the Contractor's performance under this contract.

ARTICLE V - INSURANCE

- (1) Contractor represents that it now carries, and agrees it will continue during the term of this Contract to carry, at a minimum: Workers' Compensation, Comprehensive General and Contractual Liability, and Professional Liability Insurance in the following amounts:

<u>TYPE OF INSURANCE</u>	<u>LIMITS OF LIABILITY</u>
Workers' Compensation	\$1,000,000.00
Professional Liability	\$10,000,000.00
Commercial General Liability (including Blanket Contractual Liability Insurance)	\$ 1,000,000 each person \$ 1,000,000 each occurrence \$ 2,000,000 aggregate \$ 2,000,000 products/contemplated operations aggregate \$1,000,000 personal/advertising injury
Comprehensive Auto Liability	\$1,000,000 combined bodily injury and property damage
Blanket Crime Insurance	\$5,000,000.00

- (2) Certificates of all insurance provided by the Contractor shall be available for Scranton's review and will be furnished to Scranton if requested. Such copies of certificates shall include the following:

- (a) Name of insurance company, policy number, and expiration date;
- (b) The coverage required and the limits on each, including the amount of deductibles or self-insured retentions (which shall be for the account of the Contractor);
- (c) A statement indicating Scranton shall receive thirty (30) days notice of cancellation or significant modification of any of the policies which may affect Scranton's interest;

- 
- (d) A statement confirming Scranton has been named an additional insured (except for Worker's Compensation) on all policies; and
  - (e) A statement confirming that Scranton, its agents and employees, have been provided a waiver of any rights or subrogation, which the Contractor may have against them.

#### ARTICLE VI: TERMINATION OF CONTRACT

If through any cause the CONTRACTOR shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or in the event of violation of any of the covenants contained herein, or in the event of violation of the laws applicable to implementation of the project contemplated by this Agreement, or in the event of misuse of funds, mismanagement, criminal activity or malfeasance in the implementation of this Agreement, or for any reason, with or without cause, Scranton shall thereupon have the right to terminate this Agreement by giving written notice to the CONTRACTOR specifying the effective date of termination. Said notice shall be given in writing to the CONTRACTOR and will be effective upon receipt by the CONTRACTOR. In such an event, all project records, unused grant monies, and such amounts as may have been expended contrary to the terms of this Agreement shall be returned to the Scranton.

#### ARTICLE VII: DEFAULT

In the event of a default by Contractor under this Agreement, the defaulting party then shall reimburse the non defaulting party for all costs and expenses incurred by the non defaulting party in connection with the default, including without limitation, court costs and attorneys fees at the trial level and on appeal.

#### ARTICLE VIII: JURISDICTION

This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania and all obligations hereunder are to be performed in Lackawanna County, Pennsylvania. Jurisdiction over the subject matter and performance of this Agreement is therefore vested in the Lackawanna County Court of Common Pleas.

#### ARTICLE IX - ENTIRE AGREEMENT

This contract constitutes the entire agreement between Scranton and Contractor. It supersedes all prior contemporaneous communications, representations, or agreements, whether oral or written, with respect to the subject matter thereof and if it has been induced by no representations, statements, or agreements other than those expressed. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized officer of the party sought to be bound thereby.

IT IS FURTHER UNDERSTOOD AND AGREED that this contract is entered into under and subject to the provisions of the Act of Assembly of the Commonwealth of Pennsylvania, approved March 7, 1901, its supplements and amendments, and the liability of the City of Scranton herein limited to the amount appropriated for the same and subject to the Section 6-13 of the Administrative Code of the City of Scranton which limits payments of money out of the City Treasury to appropriations made by the Council

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IN WITNESS WHEREOF the parties hereto have, in due form of law, caused this agreement to be executed the day and year first above written.

ATTEST:

\_\_\_\_\_  
CITY CLERK

BY: \_\_\_\_\_  
MAYOR

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

COUNTERSIGNED:

\_\_\_\_\_  
CITY CONTROLLER

\_\_\_\_\_  
DIRECTOR HUMAN RESOURCES

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY SOLICITOR

DATE: \_\_\_\_\_

HIGHMARK BLUE CROSS BLUE SHIELD

\_\_\_\_\_  
BY:

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_



DEPARTMENT OF HUMAN RESOURCES

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4246 • FAX: 570-348-4202

**MEMORANDUM**

**TO:** Jessica L. Eskra, Esquire  
Solicitor

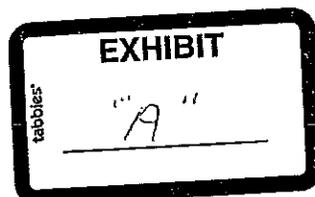
**FROM:** Danielle E. Kennedy  
Director of Human Resources/Assistant Business Administrator

**DATE:** November 21, 2017

**RE:** Medical Claims Administrator for the City of Scranton

---

On November 21<sup>st</sup> the Healthcare Containment Committee (HCC) met to review one RFP response regarding a Medical Claims Administrator for the City of Scranton. Please be advised that the HCC and I concur with Millennium Administrators' recommendation to select Highmark as the City's Medical Claims Administrator for a period of three years. The HCC also recommended to include a termination clause in the contract that would give the City the right to terminate at any time for any reason by providing 60 days notice to Highmark.



Department of Business Administration



SCRANTON

City Hall  
340 North Washington Avenue  
Scranton, Pennsylvania 18503  
Tel: (570) 348-4118  
Fax: (570) 348-4225

November 3, 2017

Mrs. Danielle Kennedy  
Director of Human Resources  
Municipal Building  
340 North Washington Ave.  
Scranton, Pa. 18503

Dear Mrs. Kennedy,

This is to inform you that R.F.P. Proposals were opened Friday, November 3, 2017 in Council Chambers for the **Medical Claims Administrative Services**. Attached is the copy of the proposal submitted by the following company:

**Highmark Blue Cross Blue Shield**

After your review of the proposal, please inform the Law Office of your decision so they may call for a contract or reject said bid.

Thank you for your cooperation in this matter.

Sincerely,

A large, handwritten signature in cursive script that reads "Julie Reed". The signature is written in black ink and is positioned over the typed name and title.

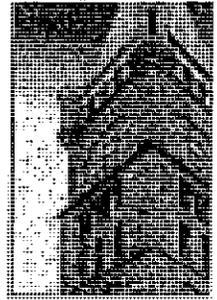
Julie Reed  
Purchasing Clerk

Encls.

CC: Mrs. Roseann Novembrino, City Controller  
Mrs. Danielle Kennedy, Human Resource Director  
Mrs. Lori Reed, City Clerk  
Mrs. Jessica Eskra, City Solicitor  
File

Department of Business Administration

City Hall  
340 North Washington Avenue  
Scranton, Pennsylvania 18503  
Tel: (570) 348-4118  
Fax: (570) 348-4225



SCRANTON

October 4, 2017

Mrs. Danielle Kennedy  
Director of Human Resources  
Municipal Building  
340 North Washington Avenue  
Scranton, Penna. 18503

Dear Mrs. Kennedy:

This is to inform you that proposals will be opened in Council Chambers on Friday, November 3, 2017 at 10:00 A.M. in City Council Chambers for the following:

MEDICAL CLAIMS ADMINISTRATIVE SERVICES

Attached, please find an Invitation to Bidders, Proposal and Specifications.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive that reads "Julie Reed".

Julie Reed,  
Purchasing Clerk

CC: Mayor William Courtright  
Mrs. Roseann Novembrino  
Mrs. Lori Reed, City Clerk  
Mr. David Bulzoni, Business Administrator  
Mrs. Rebecca McMullen, Finance Manager  
✓Ms. Jessica Boyles, City Solicitor  
File

## The Request for Proposals

Separate sealed proposals will be received by the City of Scranton, 340 North Washington Avenue, Scranton, PA 18503 until 10:00 a.m. on Friday, November 3, 2017 at which time they will be opened in the City Council Chambers for the following:

### **CITY OF SCRANTON MEDICAL CLAIMS ADMINISTRATIVE SERVICES**

All proposals are to be in accordance with the Request for Proposal (RFP) specifications which are available and can be picked up at the Office of the Bureau of Purchasing, 4<sup>th</sup> Floor, City Hall, 340 North Washington Avenue, Scranton, PA 18503. The Request for Proposals can also be obtained via email at our website, [scrantonpa.gov](http://scrantonpa.gov), but supporting data can only be obtained in person or via email. If you obtain the Request for Proposal via our website, please make sure to obtain supporting data via email or in person.

The requested services will be provided for a period of three (3) years, from approximately January 1, 2018 to December 31, 2020.

Sealed envelopes containing proposals will be received and identified by "City of Scranton Medical Claims Administrative Services" on the outside with the wording "City of Scranton Medical Claims Administrative Services." The envelopes should be delivered or mailed to the Office of the City Controller, at the address listed above, so as to arrive by the date and time specified above. The City of Scranton will require six (6) copies of this proposal.

If you have any questions, please call Danielle E. Kennedy, Director of Human Resources/Assistant Business Administrator at (570)-348-4232, [dkennedy@scrantonpa.gov](mailto:dkennedy@scrantonpa.gov)

## 1.1 Proposal Requirements

Proposals shall be accepted only from respondents (“Proposers”) who have:

- 1.1.1. Obtained from the City of Scranton a complete set of Proposal Documents and any addenda thereto issued by the City of Scranton (sometimes referred to as the “RFP”), consisting of the following five (5) sections and five (5) attachments:

Sections:

1. The Solicitation -- Notice to Proposers
2. Project Definitions and Requirements
3. Instructions to Proposers
4. Proposer Information
5. Proposal Evaluation, Negotiation, and Contract Award

Attachments:

1. Disclosure Form
2. Demographic Survey
3. Census
4. Claims
5. Plan Design

- 1.1.2. Submitted a proposal pursuant to the instructions in this RFP as set forth in Section 3.

In evaluating the proposals, the City of Scranton will consider the demonstrated experience and ability of the Proposer to deliver the proposed services, the scope and value of the proposed services, and the financial proposal of each Proposer as described in this RFP.

The City may appoint a broker/agent locally to assist with the management of a nationally based account package. This appointment may be fee based.

The City of Scranton hereby solicits proposals in accordance with these Proposal Documents.

## 2. Project Definition and Requirements

### 2.1. Overview of City of Scranton

The existing healthcare medical claims administrative services in Attachment C.

### 2.2. Scope of Work

The City of Scranton is requesting a bid to provide professional claims processing services for the City. All submittals should detail the firm's or individual's qualifications to perform TPA/ASO medical claims administrative services for the self-funded medical plan only for the City of Scranton Active Employees and COBRA participants. The bid should include a minimum three year TPA/ASO medical claims administrative service fee and be able to meet the specific set-up requirements as defined by Bargaining Unit contracts which state "equal to or better coverage," as well as maintain current provider network. The self-funded medical plan is considered to be a large group, 500 – 1,000 contracts. Stop Loss Insurance is not requested and should not be included with the bid.

The following detailed services are required:

- Provide a competitive discounted network for both facility and professional based services in Northeastern Pennsylvania, mid-Atlantic region, and nationally.
- Provide any charge for requested reports.
- Provide a cost analysis based on the City of Scranton's attached spreadsheet.
- Provide a reporting package for self-funded medical plan to include the following:
  - Reports which include detailed electronic weekly paid claims and invoices accessible online.
  - ACH Credit Billing for the TPA/ASO medical claims administrative service fee.
  - Monthly Stop Loss Report.
  - Electronic enrollment process capabilities.
  - Provide enrollment cards for members.
  - Monthly case management report.
  - Service Representative for periodic enrollment meetings.
  - Online Reporting capabilities.

- Integrated health and wellness programs.
- Network discount guarantee.
- Claim processing timeline guarantee.
- Listing of ancillary and support services included in the TPA/ASO medical claims administrative service fee.
- Ability to administer plan designs within the negotiated Bargaining Unit contracts.

The City may appoint a broker/agent locally to assist with the management of a nationally based account package. This appointment may be fee based.

### 2.3. Term

The contract between the City of Scranton and the successful Proposer will be for three (3) years, from approximately January 1, 2018 to December 31, 2020.

### 2.4. Proposal Pricing and Costs

#### a. Proposal Pricing

Each proposal must include the rates to be charged for the services listed below. Please use the administrative pricing, rebates, and discounts format found in pricing tables of Attachment C.

For medical claims administrative services:

- A specific breakdown of administrative fees for all subgroups in a per employee per month basis and as a percentage of claims
- Network Access Fee
- Utilization Management Fee
- Case Management Fee
- Hard Copy Directory Fee
- Employee/Retiree Communication Material Fee
- Implementation Fee
- Special billing Charges
- Online Services Fee
- Reporting and Special Custom Reporting Fees
- Run-Out and Length of Time for Run-Out
- HIPAA Certificate Fee
- Creditable Coverage Notice Fee

- Service Fees Other than what is listed above

b. Cost Proposal

Proposers should not include any assumptions in their cost submittals. If the Proposer includes assumptions in its cost submittal, the proposal may be rejected. Proposers should direct in writing to the City of Scranton any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the City of Scranton's written answer so that proposals are submitted on the same basis.

Please submit your response to the following:

- If there is a broker/consultant with your proposal, please list the percentage or City amounts the broker will receive if you are awarded the City's contract.
- Please provide the expected maximum dollar value of the Performance Guarantees by category as outlined in your proposal.
- Please quote on an experience-rated basis and provide details (actual rate calculation) on how initial rates were calculated including a breakout of anticipated claims expenses (i.e. pure premium) and non-claims expenses (i.e. retention). Explain simply (verbally and through numeric example) how the proposed rates were developed from current claims experience including levels of discounts, assumed network utilization, etc.
- Please detail your experience rating methodology and provide an example of a renewal calculation assuming each of the following:
  - i. Claims are 25% lower than expected
  - ii. Claims are at the expected level
  - iii. Claims are 25% higher than expected
- List the earliest a renewal and COBRA rates can be provided and guaranteed.
- List your average loss ratio (paid and incurred) for each product offered over the past three years.
- Provide details on your "other party liability" functions including documentation of quantifiable savings.
- Provide details on your subrogation functions including documentation of quantifiable savings.
- Describe in detail how the credibility of the group's experience is determined.

- Describe your current pooling level and how any applicable charge is calculated.
- Describe the funding arrangements that you offer.
- Under an ASO arrangement, when does the settlement process take place, assuming a 12/12 stop loss? Assuming a 12/15 stop loss?
- Under an ASO arrangement, is an advance deposit, cash advance, or letter of credit required? If so, how is the initial amount determined? How is each subsequent year determined?
- Are there any payment options available that would eliminate the need for an advance deposit, cash advance, or letter of credit (i.e., weekly billing)?
- The City is certified for participation in Early Retiree Reinsurance Program and will need quarterly claim reports from the medical vendor. Please list any costs associated with quarterly reporting for the Early Retiree Reinsurance Program.

Any costs not provided in this cost proposal will be assumed as no charge to the City of Scranton.

## 2.5. Licensing

The successful Proposer must be authorized to do business in the Commonwealth of Pennsylvania and comply with all pertinent state and federal requirements, codes, and regulations.

Proposer must have a valid business privilege license, issued by the Commonwealth of Pennsylvania's Department of Licenses and Inspections, to do business in the Commonwealth of Pennsylvania, prior to entering into any contract with the City of Scranton.

## 2.6. Information/Product

All reports, surveys, tables, charts, diagrams, design work, product recordings, and other data (including electronic, audio, and video) or documentation prepared or compiled by Proposer in connection with the performance of its obligations under the contract, shall be the sole and exclusive property of the City of Scranton. Proposer shall retain in its files sufficiently detailed working papers relevant to its engagement with the City of Scranton. Proposer further agrees that its working papers will be held in the strictest confidence and will not be disclosed or otherwise made available to outside sources, except as required by law, within the written consent of the City of Scranton.

## 2.7. Confidentiality

Proposer must agree to keep confidential any and all information concerning the plans, operations, or activities of the City of Scranton which may be divulged by the City of Scranton or ascertained by Proposer in the course of performing services under any contract with the City of Scranton. In the event Proposer is required to disclose confidential information pursuant to a subpoena, order of court, or other legal process, Proposer shall, upon notice of such required disclosure and prior to disclosure, immediately notify the City of Scranton and allow the City of Scranton the opportunity to inspect the information subject to disclosure, and in the event such disclosure is objectionable under any standard or rule of the court, Proposer shall exhaust all legal means to prevent disclosure.

## 2.8. Insurance

Proposals must include a statement of the prospective bidder's insurance coverage. Proposer shall procure and maintain, at its own cost and expense, insurance with companies that have an A.M. Best's Rating of not less than A- and acceptable to City of Scranton, with coverage limits of not less than stipulated below. The City of Scranton, the Commonwealth of Pennsylvania, and their respective officers, employees, directors, boards and agents, shall be included as Additional Insureds on the General Liability, Automobile Liability and Excess/Umbrella Liability Insurance policies. An endorsement is required stating that Proposer's policies will be primary to any other coverage available to the City of Scranton and/or the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, and agents. Any insurance maintained by the City of Scranton will be excess and non-contributory. Furthermore, no act or omission of the City of Scranton and/or the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards and agents, shall invalidate the coverage. All insurance coverage must be kept in effect during the Contract Period. Loss of insurance coverages could result in the voiding/termination of the Contract.

- Worker's Compensation and Employers Liability. Worker's Compensation Insurance as required by statute. Employers Liability coverage to be carried with limits of not less than \$1,000,000.00/per accident, \$1,000,000.00/disease (policy limit), \$1,000,000.00/disease (each employee).
- Commercial General Liability. Commercial General Liability Insurance is required with limits of not less than \$1,000,000.00 Each Occurrence; \$2,000,000.00 General Aggregate; \$2,000,000.00 Products/Completed Operations Aggregate and \$1,000,000.00 Personal/Advertising Injury. The policy shall also cover liability arising from Blanket Contractual, Broad Form Property Damage, liability assumed under an insured contract (including tort liability of another assumed in a business contract), and Personal Injury (including coverage for discrimination, defamation, harassment, malicious prosecution, slander, and mental anguish). Products and Completed Operations must be included. ISO Endorsement CG 21 39 10 93 (Contractual Liability Limitation) shall not apply to this contract. Such policy must contain a "Severability of Interests" clause. This insurance

shall be excess over any other insurance, whether primary, excess, contingent, or on any other basis, that is available to the contractor or its subcontractor covering liability for damages because of Bodily Injury or Property Damage for which the contractor has been included as an Additional Insured. The City of Scranton and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards and agents shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.

- Automobile Liability. Business Automobile Liability covering all owned, non-owned, and hired autos in required with limits of not less than \$1,000,000.00 Combined Single Limit for Bodily Injury and Property Damage. Such policy must contain a “Severability of Interests” clause. The City of Scranton, and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, City’s, and agents, shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.
  
- Excess/Umbrella Liability. Proposer shall provide evidence of Excess/Umbrella Liability Insurance with limits of not less than \$5,000,000.00 in Any One Claim or Occurrence. Coverage shall include, but not be limited to, coverage provided by any underlying insurance. Underlying insurance shall include all liability coverage required by this contract except Professional Liability/Errors or Omissions coverage as outlined below. The City of Scranton and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards and agents shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.
  
- Professional Liability/Errors & Omissions Coverage. Evidence of Professional Liability/Errors & Omissions coverage, including Privacy Liability, must be provided, with limits of not less than \$10,000,000.00, with a deductible not to exceed \$10,000.00. Errors & Omissions coverage shall be applicable to any occurrence arising out of the performance of services required under the Professional Services Contract and shall cover liability arising from information technology services including, but not limited to, intellectual property infringement, privacy infringement, and, if applicable, software development services and computer or electronic information technology services. Coverage under an occurrence form shall be maintained in full force and effect under the policy during the contract period. Under a claims made form, continuous coverage is required. Should an Extended Discovery Period or “tail” coverage be required in the event coverage is terminated, such coverage must be maintained for a period of not less than three (3) years.
  
- Fidelity/Blanket Crime Insurance. Evidence of Fidelity/Blanket Crime Insurance with an Employee Dishonesty limit of not less than \$5,000,000.00 shall be submitted to the City of Scranton prior to the commencement of services. Proposer must maintain Third Party (includes money, securities, client’s property, and other properties) coverage under

the Crime policy. The City of Scranton shall be included as a co-loss payee. A copy of the actual Loss Payee Endorsement is required.

### Additional Provisions

A certificate of insurance evidencing all of the above coverages shall be filed with the City of Scranton prior to the commencement of work. It shall be the responsibility of the successful Proposer to ensure that all subcontractors carry insurance of not less than coverage and limits specified herein. Proper evidence of this compliance must be forwarded to the City of Scranton prior to the inception of any work by subcontractor.

Renewal certificates and policies, as required, shall be forwarded to the City of Scranton for as long as professional contractor performs the work as specified in this contract. All certificates and policies shall contain a provision that coverage afforded will not be cancelled or materially altered until at least thirty (30) days prior written notice has been given to the City of Scranton.

Proposals must include a statement of assurance that the prospective bidder is not currently in violation of any regulatory rules and regulations that may have any impact on its operations, as well as a statement that the prospective bidder is not involved in any current litigation with the City of Scranton.

All bids are subject to Right to Know laws pursuant to applicable Pennsylvania statutes.

Proposals must include a copy of any and all contractual language, including any and all governing terms of the agreement.

Incumbents do not have the opportunity to match or beat the offer of another bidder.

### 2.9. Indemnification

The Proposer will be required in the contract to “protect, defend, indemnify and hold harmless the City of Scranton, and the Commonwealth of Pennsylvania, and their respective officers, directors, boards, cities, agents, contractors, employees, and/or their invitees from and against all claims, demands, loss, fines, penalties, and causes of action, damages, or liability (i) for bodily injury, including death, and for damage to property, including the property of any of them, incurred by reason of any willful or negligent act of City or omission of successful Proposer, its agents or employees, arising out of or taking place in the courts of the performance of this contract; (ii) or results from or arises out of the violation of any third party’s trade secrets, trademarks, copyright, patent rights, or other proprietary rights in connection with a breach of any warranty set forth in the contract.” The indemnification shall include the fees and expenses of attorneys and experts, etc. The Successful Proposer’s indemnification expressly includes any claims for personal injuries or death made by or on behalf of Proposer’s employees against the City of Scranton, the Commonwealth of Pennsylvania and each of their respective employees, officers, directors, agents, contractors, employees, and/or invitees.

The City of Scranton does not indemnify.

#### 2.10. Certificate of Non-Indebtedness

The Proposer will be required to certify and represent that Proposer and Proposer's parent company(ies) and subsidiary(ies) are not indebted (at the time of signing of the contract) to the Commonwealth of Pennsylvania, or the City of Scranton, and will not at any time during the term of the contract (including any extensions or renewals thereof) be indebted to the City, for or on account of any delinquent taxes (including, but not limited to, taxes collected by the City on behalf of the School District), liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available to the City of Scranton at law or in equity, Proposer acknowledges that upon any breach or failure to confirm to such certification the City of Scranton shall have the right to, and may, at the option of the City of Scranton, withhold payments otherwise due to Proposer, and, if such breach or failure is not resolved to the City of Scranton's satisfaction within a reasonable time frame as specified by the City of Scranton in writing, this will offset any such indebtedness against said payments and/or terminate this Agreement for default (in which case Proposer shall be liable for all excess costs and other damages including reasonable attorney's fees resulting from the termination).

#### 2.11. Non-Discrimination

Proposer shall not discriminate or permit discrimination against any person because of race, color, religion, national origin, sex, or sexual orientation. In the event of such discrimination, the City of Scranton may, in addition to any other rights or remedies available under the contract, at law or in equity, terminate any contract with Proposer forthwith.

Proposer shall comply with the provisions of Title VII of the Civil Rights Act of 1964 (42 U.S.C. §200d et seq.), §504 of the Federal Rehabilitation Act of 1973 (29 U.S.C. §794), The Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. §1681), and 45 C.F.R. Part 92, as they may be amended from time to time, which together prohibit discrimination on the basis of race, color, national origin, sex, handicap, age, and religion.

Proposer understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in any contract of Proposer with the City of Scranton or from activities or services provided under such contract. As a condition of accepting and executing such contract, Proposer shall comply with all provisions of the Americans with Disabilities Act, 42 U.S.C. §12101 et seq., and all regulations promulgated thereunder, as the Act and regulations may be amended from time to time, which are applicable (a) to Proposer, (b) to the benefits, services, activities, facilities, and programs provided in connection with this Agreement, (c) to the City of Scranton, or the Commonwealth of Pennsylvania, and (d) to the benefits, services, activities, facilities, and programs of the City of Scranton or of the Commonwealth.

Without limiting the generality of the preceding sentence, Proposer shall comply with the “General Prohibitions Against Discrimination,” 28 C.F.R. §35.130, and all other regulations promulgated under Title II of “The Americans with Disabilities Act,” as they may be amended from time to time, which are applicable to the benefits, services, programs, and activities provided by the City of Scranton through contracts with outsider contractors.

## 2.12. Governing Laws

Any contract entered into by the City of Scranton will be executed in and shall be governed by the laws of the Commonwealth of Pennsylvania.

## 2.13. Certain Required Disclosures

In accordance with the Commonwealth of Pennsylvania’s contract reform legislation, persons and entities who wish to provide goods and services to the City of Scranton must provide certain information about contributions they have made to elected City officials or candidates for City offices. All Proposers must, therefore, complete Attachment D and include such completed Attachment with their proposal. Please note that the selected Proposer will be required to update such disclosure during the term of its agreement with the City of Scranton and for one (1) year thereafter.

### 3. Instructions to Proposers

#### 3.1. Proposal Preparation Requirements

3.1.1. Proposals must be prepared in English on 8 ½ x 11 inch paper with tabbed indexes separating the following six (6) completed sections in the following order:

3.1.1.1. **Tab 1: Transmittal Letter.**

3.1.1.2. **Tab 2: Scope of Work.** A proposed and detailed scope of work satisfying the objectives, tasks, and deliverables as outlined below, including its appendices and identify all associated assumptions. Any areas that are beyond the scope of work should be clearly identified.

3.1.1.3. **Tab 3: Proposed Pricing.**

3.1.1.4. **Tab 4: Completed Section 4 (Proposer Information) of this RFP.** All Proposals must include the following information and be signed at the end of Section 4 as follows:

- If the Proposal is made by an individual, the Proposal must be signed by the individual, the individual's full name must be typed or printed under the signature line and the Proposal must include the individual's mailing address.
- If the Proposal is made by a partnership, the Proposal must:
  - Be signed by at least one of the general partners with authority to bind the partnership and the name of the general partner must be typed or printed under the signature line;
  - Include the name and mailing address of the partnership; and
  - Attach a copy of the partnership agreement, or other document authorizing the general partner to sign the Proposal to bind the partnership.
- If a corporation makes the Proposal, the Proposal must:
  - Be signed by the president or vice president of the corporation, and the secretary or treasurer must attest the signature and the names of the corporate offices must be typed or printed under the signature lines;
  - Include the name and mailing address of the corporation; and

- Attach a copy of the corporation's by-laws or a corporate resolution authorizing the corporate officer signing the Proposal to bind the corporation.
- If the Proposal is made by a joint venture, the Proposal must:
  - Be signed by all joint venture partners and the names of the joint venture partners must be typed or printed under the signature lines;
  - Include the name and mailing address of the joint venture; and
  - Attach a copy of the joint venture agreement or other documentation signed by each member of the joint venture and, if applicable, any documentation necessary to show that the individuals signing on behalf of each joint venture partner are authorized to bind the joint venture.
- Proposal must be in the same name as that of the individual, partnership, corporation, joint venture, or entity attending the mandatory pre-proposal conference.

**3.1.1.5. Tab 5: Qualification and Experience of Proposer.** Proposers are strongly encouraged to list experience providing similar services.

- Provide the names and resumes of representative sample personnel who would be providing medical claims administrative services hereunder;
- Indicate whether the individual is a full time employee of Proposer's organization (and if so, for how long) or a subcontractor. If the individual is a subcontractor, list the engagements (and the particular responsibilities on each engagement) that the subcontractor has previously worked for Proposer;
- Indicate the areas of the Project that each individual will be involved with or have responsibility for; and
- For each individual that would be involved in this Project, provide a reference list with phone numbers.

**3.1.1.6. Tab 6: Completed Attachments A, B, and C, and any other attachments required to be completed under the RFP.**

3.1.2. All proposals must be either hand delivered or mailed to the Office of the City Controller, City Hall, 2<sup>nd</sup> Floor, 340 North Washington Avenue, Scranton, PA 18503. Proposals will not be accepted by email or facsimile transmission. The City of Scranton will require six (6) copies of the proposal, which shall be placed in a sealed envelope marked "City of Scranton Medical Claims Administrative Services."

Proposals will be received until Friday, November 3, 2017. Any proposal received after the above-mentioned time and date will not be accepted.

The City of Scranton assumes no responsibility for delays in any form of carrier, mail, or delivery services causing the submission to be received after the above-referenced due date and time. The final selection shall be made in the sole discretion of the City.

- 3.1.3. Failure to answer all questions completely and furnish all information required in these Proposal Documents may result in disqualification of the Proposer. The City of Scranton reserves the right to thoroughly investigate the financial status and experience of the Proposer.
- 3.1.4. It shall be the responsibility of the Proposer to deliver the Proposal and all other required items to the location specified in Section 1 of these Proposal Documents on or before the due date and time set forth in Section 1.
- 3.1.5. Oral communications from the City of Scranton personnel or other persons shall not be binding on the City of Scranton and shall in no way modify the provisions of the Proposal Documents. Official responses of the City of Scranton to inquiries regarding these Proposal Documents shall be issued by the City of Scranton in writing as addenda, and only such written responses shall be binding on the City of Scranton as modifications to these Proposal Documents.

### 3.2. Duration of Proposal

In consideration of the City of Scranton's evaluation of the submitted Proposals, each Proposer agrees that its Proposal shall be a firm offer to the City of Scranton, and shall remain open for acceptance by the City of Scranton for a period of at least one hundred and fifty (150) days beginning with the submission due date set forth in Section 1 of these Proposal Documents, as may be revised by addenda.

### 3.3. Proposer's Responsibility

The Proposer shall carefully examine the terms of the Proposal Documents and shall judge for itself all of the circumstances and conditions affecting its Proposal. The City of Scranton will endeavor to present accurate information, but Proposers are advised to independently verify the accuracy of any information received.

### 3.4. Questions and Addenda

Any questions regarding this RFP shall be directed to Danielle E. Kennedy, Director of Human Resources at (570) 348-4232.

If at any time this RFP needs to be revised, an amendment shall be issued to all responders.

4. Proposer Information

4.1. Proposer

Submitted by:

[Please type or print]

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

The undersigned Proposer hereby submits to the City of Scranton this Proposal as described herein and in the attached documents.

4.2. Qualifications Statement

The Proposer represents and covenants that the Proposer is fully qualified to provide the requested services to the City of Scranton. The undersigned further swears and affirms that the information contained in this response is true, accurate, and complete.

4.3. Business Experience

4.3.1. The following describes other points of service by Proposer and the companies for whom the services were provided. Proposer should include a reference contact at the described companies, and this contact should have direct, specific responsibility for the oversight of the program. In particular, the Proposer should describe all experience with projects similar to this project.

- 4.3.2. The Proposer has operated under its current name since \_\_\_\_\_, a period of \_\_\_\_\_ years, and the Proposer (if such be the case) formerly operated under the following name: \_\_\_\_\_.
- 4.3.3. Proposer must attach the resume of the manager which it anticipates will be the contact for the services required by this RFP.
- 4.3.4. The Proposer submits herewith the following list of three (3) persons or businesses, which have knowledge of the Proposer's ability to successfully perform the services for which this Proposal is submitted.

**Reference 1:**

Name: \_\_\_\_\_

Firm: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Association: \_\_\_\_\_

**Reference 2:**

Name: \_\_\_\_\_

Firm: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Association: \_\_\_\_\_

\_\_\_\_\_

**Reference 3:**

Name: \_\_\_\_\_

Firm: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Association: \_\_\_\_\_

\_\_\_\_\_

4.3.5. The Proposer has not had an agreement cancelled or terminated due, in whole or in part, to the fault of the Proposer, or a default or breach of contract on the part of the Proposer. (If a contract or agreement has been cancelled, please explain.)

**4.4. Financial Information**

4.4.1. If the Proposer requests that the City of Scranton receive and maintain any of the following financial information in confidence, the Proposer understands that such information may not be exempt from disclosure under the Home Rule Charter and/or the Commonwealth Right to Know Act. The Proposer agrees that the City of Scranton may make such disclosure or reproduce such financial information as is deemed necessary or convenient by the City of Scranton, its officers, agents, or

employees, for the City of Scranton's use in Proposal evaluation and comparison; provided, however, that if any person makes a request as contemplated by the Home Rule Charter and/or Commonwealth Right to Know Act to review or be provided with copies of such financial information or any part thereof, and the City of Scranton denies such requests, immediately upon notification thereof, the Proposer shall, at its sole cost and expense, defend the City of Scranton and its officers, agents, and employees shall be free to grant such requests, in law or in equity, that it may have against the City of Scranton respecting such disclosure. The Proposer agrees to indemnify and hold harmless the City of Scranton, its officers, agents, and employees from any and all claims, costs, liabilities or damages, including attorney's fees and court costs resulting from the City of Scranton's or Proposer's acts or omissions pursuant to this Paragraph.

4.4.2. The Proposer has (    ) has never (    ) [check one] had a bond or surety cancelled or forfeited. (If the Proposer has had a bond or surety cancelled, state the name of the bonding company, date, amount of bond, and reason for such cancellation or forfeiture.)

4.4.3. The Proposer has (    ) has never (    ) [check one] been adjudged bankrupt (Chapter 7), or petitioned the court for relief under the Bankruptcy Code or Act for either business reorganization (Chapter 11) or the Wage Earner's Plan (Chapter 13). If the response is in the affirmative, provide the following information:

4.4.3.1. Date Petition filed: \_\_\_\_\_

4.4.3.2. Docket No: \_\_\_\_\_

4.4.3.3. County/Jurisdiction: \_\_\_\_\_

4.4.3.4. Amount of Liabilities  
And Debts: \_\_\_\_\_

4.4.3.5. Date of Discharge or  
Successful Completion  
Of Reorganization or  
Wage Earner's Plan: \_\_\_\_\_

4.4.4. Proposer's Bank References

Name	Address
4.4.4.1. _____	_____
4.4.4.2. _____	_____
4.4.4.3. _____	_____

The undersigned herewith submits a letter from \_\_\_\_\_  
(name of financial institution)  
indicating that the Proposer has an available working line of credit of no less than  
\_\_\_\_\_ Dollars (\$ \_\_\_\_\_), or other  
evidence of Proposer's capital sufficient to permit it to meet the obligations  
contemplated by its Proposal.

4.4.5. The undersigned hereby affirms that he Proposer is authorized to conduct business in the Commonwealth of Pennsylvania, and City of Scranton, or will obtain proper authorization to do so before executing an agreement and furnishing the required bond or letter of credit.

4.5. General Litigation Disclosure

Proposer must describe any pending, contemplated, or ongoing administrative or judicial proceedings material to Proposer's business, finances, or products, including, but not limited to, any litigation, consent orders, debarment, or contracts with any local, state, or federal regulatory agency issued to proposer or to any parent or subsidiary of Proposer.

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4.6. Business Organization Statement

4.6.1. General Information

Name of Firm: [Exactly as it would appear on an agreement; if operating under a fictitious name, so indicate.]

---

Principal Office Address:

---

Telephone Number:

---

Form of Business Entity: [Check one.]

( ) Corporation

- ( ) Partnership
- ( ) Individual
- ( ) Joint Venture

4.6.2. Corporation Statement

If a corporation, answer the following:

Date of Incorporation: \_\_\_\_\_

Location of Incorporation: \_\_\_\_\_

Is the corporation authorized to do business in Pennsylvania?

Yes ( ) No ( )

If so, what date? \_\_\_\_\_

The corporation is held:

Publicly ( ) Privately ( )

Furnish the name, title, and address of each director and officer of the corporation.

DIRECTORS

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Principal Business Affiliation Other than Proposer's Directorship:  
\_\_\_\_\_

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Principal Business Affiliation Other than Proposer's Directorship:  
\_\_\_\_\_

3. Name: \_\_\_\_\_

SHAREHOLDERS

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of Shares Owned: \_\_\_\_\_

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of Shares Owned: \_\_\_\_\_

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of Shares Owned: \_\_\_\_\_

4. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of Shares Owned: \_\_\_\_\_

5. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of Shares Owned: \_\_\_\_\_

6. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of Shares Owned: \_\_\_\_\_

7. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of Shares Owned: \_\_\_\_\_

8. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Number of Shares Owned: \_\_\_\_\_

OFFICERS

1. Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
2. Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
3. Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
4. Name: \_\_\_\_\_  
Position: \_\_\_\_\_

4.6.3. Partnership Statement

If a partnership, answer the following:

Date of Organization: \_\_\_\_\_

General Partnership ( ) Limited Partnership ( )

Partnership Agreement recorded?

Yes ( ) No ( )

Date \_\_\_\_\_

Book \_\_\_\_\_

Page \_\_\_\_\_

County \_\_\_\_\_

State \_\_\_\_\_

Has the partnership done business in Pennsylvania?

Yes ( ) No ( )

When? \_\_\_\_\_

Name, address, and ownership share of each general partner owning more than five percent (5%) of the partnership:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

4. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

5. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

6. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

4.6.4. Joint Venture Statement

If a joint venture, answer the following:

Date of Organization: \_\_\_\_\_

Joint Venture Agreement recorded?

Yes ( ) No ( )

Date \_\_\_\_\_

Book \_\_\_\_\_

Page \_\_\_\_\_

County \_\_\_\_\_

State \_\_\_\_\_

Has the joint venture done business in Pennsylvania?

Yes ( ) No ( )

When? \_\_\_\_\_

Name, address, and ownership share of each joint venture:

7. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

8. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

9. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

10. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

11. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Percent of Ownership: \_\_\_\_\_ %

4.7. Warranties by Proposer

4.7.1. The Proposer's Proposal has been completed to the best of the Proposer's ability, and the Proposer swears that all information contained herein is true, correct, and complete to the best of the Proposer's knowledge, information, and belief.

4.7.2. By submission of this Proposal, the Proposer acknowledges that the City of Scranton has the right to make any inquiry or investigation it deems appropriate to substantiate or supplement information contained in the Proposal, and Proposer authorizes the release to the City of Scranton of any and all information sought in such inquiry or investigation.

4.7.3. The Proposer declares by the submission of this Proposal that the Proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the Proposal is genuine and not collusive or sham; that the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a false or sham Proposal, and has not directly or indirectly colluded or agreed with any Proposer or anyone else to put in a sham Proposal or to refrain from proposing; that the Proposer has not directly or indirectly sought by agreement or communication to secure any advantage against the City of Scranton; anyone interested in the Proposal as principal are named within the Proposal; that all statements contained in the Proposal are true; that the Proposer has not directly or indirectly divulged information or data relative to the Proposer's Proposal to any other person, partnership, corporation, or association, except to such person or persons as have a direct financial interest in the Proposer's general business.

The foregoing Proposal is hereby submitted by the entity signing below in accordance with all terms and conditions as set forth in the Request for Proposals issued by the City of Scranton.

PROPOSER:

Date: \_\_\_\_\_

[Corporate Seal if applicable.]

\_\_\_\_\_  
Name of Proposer

By: \_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]

Attest: \_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]

## 5. Proposal Evaluation, Negotiation, and Contract Award

### 5.1. Disqualification of Proposers

5.1.1. If more than one Proposal is received from any individual, firm, partnership, corporation, or association, under the same or different names, said Proposals will not be considered. Reasonable grounds for believing that any Proposer has an interest in more than one Proposal will cause the rejection of all Proposals in which such Proposer is interested. If there is reason to believe that collusion exists among Proposers, none of the participants in such collusion will be considered. Similarly, unsolicited proposals may not be considered.

5.1.2. No Proposal shall be received from, or contract awarded to, any City of Scranton employee or official who may have any direct or indirect interest in such submitted Proposal or contract.

### 5.2. Qualification of Proposers

5.2.1. The City of Scranton will carefully consider the Proposer's qualifications, proposed financial consideration, experience, financial responsibility, proposed scope of services, and timeline in evaluating each Proposal. In the City of Scranton's

evaluation, the Proposal as a whole may bear more weight than the individual parts of the Proposal.

- 5.2.2. Following a review of the submitted proposals, the City of Scranton may select one or more Proposers with which to negotiate. The City of Scranton shall notify Proposer(s) of selection for negotiation.
- 5.2.3. Respondents to this RFP are subject to the New Jersey Ethics Act (65 Pa. C.S.A. §401, et seq.). All respondents are required to disclose any potential conflict caused by the City of Scranton or City employees having a financial interest in the entity entering into a contract or agreement with the City of Scranton.

### 5.3. General Reservation of Rights

- 5.3.1. This RFP and the process it describes are proprietary to the City of Scranton and are for the sole and exclusive benefit of the City of Scranton. No other party, including any respondent to this RFP or future Proposer to any RFP which may be issued by the City of Scranton, is intended to be granted any rights hereunder. Any response to this RFP, including written documents and verbal communication, may be subject to public disclosure by the City of Scranton, or any authorized agent of the City of Scranton and any materials submitted or ideas elicited in response to this RFP shall be the sole and absolute property of the City of Scranton with the City of Scranton having title thereto and unrestricted use thereof.
- 5.3.2. The City of Scranton reserves the right to reject as informal or non-responsive any Proposal that, in the City of Scranton's sole judgment, is incomplete, is not in conformity with applicable law, is not responsive to this RFP, or contains ambiguities or services not called for by this RFP.
- 5.3.3. Without limiting the generality of any other provision of this RFP, the City of Scranton reserves the right, at any time prior to execution of an agreement with the successful Proposer, to exercise all or any of the following rights and options, which rights and options the City of Scranton may exercise to the extent that the City of Scranton, in its sole discretion, deems to be in its best interests:
  - 5.3.3.1. To request additional or supplemental information (including, but not limited to, information inadvertently omitted by any Proposer in response to this RFP) from any or all Proposers;
  - 5.3.3.2. To accept or reject, at any time prior to its execution of an agreement, any or all Proposals or any part thereof submitted in connection with this RFP;

- 5.3.3.3. To accept or reject any or all of the items in any Proposal and award the contract in whole or in part if it is deemed in the City of Scranton's best interest to do so;
- 5.3.3.4. To waive any informality, defect, non-responsiveness, or derivation from this RFP that is not, in the City of Scranton's sole judgment, material to the Proposal;
- 5.3.3.5. To negotiate unacceptable provisions incorporated within an otherwise acceptable Proposal submitted in response to this RFP;
- 5.3.3.6. To reject without evaluation any Proposal that is incomplete, unclear, conditional, or which contains irregularities of any kind;
- 5.3.3.7. To reject any Proposal that in the sole discretion of the City of Scranton is not in the best interest of the City of Scranton;
- 5.3.3.8. To re-issue this RFP without change or modification;
- 5.3.3.9. To issue a subsequent RFP for this project with terms and conditions that are substantially different from the terms and conditions set forth in this RFP;
- 5.3.3.10. To cancel this RFP with or without issuing another RFP;
- 5.3.3.11. To supplement, amend, substitute, or otherwise modify this RFP at any time prior to execution of a final agreement with a Proposer;
- 5.3.3.12. To reject the Proposal of a Proposer that, in the City of Scranton's sole judgement, has been delinquent or unfaithful in the performance of any contract with the City of Scranton, or is financially or technically incapable of performing the services required in this RFP, or is otherwise not a responsible Proposer;
- 5.3.3.13. To reject, at the City of Scranton's sole discretion, amendments (including information inadvertently omitted), modifications, alterations and/or corrections of Proposals by some or all of the Proposers following Proposal submission;
- 5.3.3.14. To request that some or all of the Proposers modify Proposals or provide additional information following evaluation by the City of Scranton;

- 5.3.3.15 To conduct such investigations as the City of Scranton considers appropriate with respect to the qualifications of any Proposer and/or any information contained in any Proposal;
  - 5.3.3.16 To request clarifications of any unclear Proposal;
  - 5.3.3.17 To negotiate simultaneously, or otherwise, with one or more Proposers;
  - 5.3.3.18 To discontinue and resume negotiations with one or more Proposers;
  - 5.3.3.19 To rescind its rejection of any Proposal(s) and negotiate (or resume with Negotiations) with previously rejected Proposer;
  - 5.3.3.20 To not proceed with the process described in this RFP, or to change any time schedules set forth herein;
  - 5.3.3.21 To not enter into an argument pursuant to this RFP.
- 5.3.4 The City of Scranton intends to enter into a contract negotiations with the selected Proposer. However, the City of Scranton reserves the right to terminate any negotiations at any time or conduct simultaneous, competitive negotiations with multiple Proposers. The City of Scranton reserves the right to negotiate acceptable terms an otherwise unacceptable Proposal. Such negotiations may result in changes to material terms of this RFP; in such event, the City of Scranton shall not be obligated to inform other Proposers of the changes, or permit them to revise their Proposals accordingly, unless the City of Scranton, in its sole discretion, determines that doing so and permitting such is in the City of Scranton's best interest. Should negotiations not prove satisfactory with the recommended Proposer(s), the City of Scranton reserves the right to discontinue negotiations with the recommended Proposer(s) and additional firms may be asked to enter into negotiations or the City of Scranton may solicit new Proposals or issue a new Request for Proposals.

#### 5.4 Award

- 5.4.1 The City of Scranton intends to award the agreement to the Proposer whose Proposal best satisfies the scope of the services described in Section 2 and is otherwise in the best interest of the City of Scranton. The determination of award shall be made by the City of Scranton, in its sole discretion, which decision shall be final. The City of Scranton may employ such analysis techniques and professional consultants for Proposal evaluation as it deems necessary. The City of Scranton may request submission of additional information to assist it in evaluating a Proposal, and the Proposer shall cooperate fully with such request. The contract resulting from this RFP

awarded to the qualified Proposer whose Proposal the City of Scranton believes will be the most advantageous to the City of Scranton. The City of Scranton may condition an award on the successful Proposer's agreement to such terms and conditions as required by the City of Scranton including, but not limited to, the City of Scranton's indemnification.

### Exhibit 1. Healthcare Administrative Service Expectations and Performance Guarantee

The City expects your benefit or insurance plan to provide premium service in administering benefits to our employees. To help accomplish that goal, we expect the plan to guarantee that the following administrative functions will be performed in a consistent and timely manner.

- Generally, new enrollments, changes and cancellations will be processed the next business day following receipt. Situations may arise where enrollment changes will need to be made immediately.
- 99% of ID cards for ongoing enrollment will be accurate and mailed to the appropriate plan participants within 15 days of notification.
- Claims reports, upon request, must be able to breakout City Management and Union benefits; show utilization by age/sex, employee/dependent status, and type of service; show enrollment info for specific time periods; and show benefit category by claim amount. Reports must comply with HIPAA regulations and cannot disclose Protected Health Information of employees unless exclusively requested by the City.
- You must be able to support several group numbers and various types of benefits for both active and retired employees at no additional charge. The City has different group numbers for different groups of employees for budgeting purposes.
- You must be able to produce a customized handbook, customized ID cards, electronic enrollment and delivery of handbooks no later than the date of plan implementation upon request.
- You must provide dedicated customer service representatives with a dedicated toll free telephone number to answer questions for both employees and the Human Resources Department of the City.
- City contracts must be in accordance with requirements of the Attorney General of the Commonwealth of Pennsylvania and the City. Contracts should be signed by both parties prior to the effective date of the contract.

## Attachment A: Census Data

Please see attached.

## Attachment B. Claims Data

Please see attached.

## Attachment C. Plan Design

Please see attached.

## Affirmative Action Certification

During the term of this contract, Bidder agrees as follows:

- (1) Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.
- (2) Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will received consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.
- (3) Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.
- (4) It shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it, such a factor shall be considered in mitigation in determining appropriate sanctions.
- (5) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so bidder will be unable to meet its obligations under this affirmative action certification, bidder shall then employ and fill vacancies through other affirmative action employment procedures.
- (6) Bidder shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of bidder's

noncompliance with affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.

- (7) Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.
- (8) Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.
- (9) Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.
- (10) Bidder's obligations under this clause are limited to the bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

DATE: \_\_\_\_\_

NAME OF  
BIDDER: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

**Certificate of Non-Segregated Facilities**

The bidder certifies that he does not maintain or provide for his employees and segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term "segregated Facilities," means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub-contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certification in his files.

NOTE; The penalty for making false statements in offers is prescribed in 18 U.S.C. §1001.

DATE: \_\_\_\_\_

NAME OF  
BIDDER: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

## Non-Collusion Affidavit of Prime Bidder

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

\_\_\_\_\_, being  
first duly sworn, deposes and says that:

1.) He is \_\_\_\_\_

\_\_\_\_\_  
(Owner, partner, officer, representative or agent)

of \_\_\_\_\_, the Bidder that has  
submitted the bid;

- 2.) He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
- 3.) Such Bid is genuine and is not a collusive or sham Bid;
- 4.) Neither the said Bidder nor any of its officers, partners, owners, agents, Representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, or to Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of Scranton (Local Public Agency) or any person interested in the proposed Contract; and;
- 5.) The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees or parties in interest, including this affiant.

Non-Collusion Affidavit  
Signature Page

Signed \_\_\_\_\_

\_\_\_\_\_  
(TITLE)

SUBSCRIBED AND SWORN TO BEFORE ME

THIS \_\_\_\_\_ DAY OF \_\_\_\_\_  
\_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(TITLE)

MY COMMISSION EXPIRES \_\_\_\_\_  
\_\_\_\_\_, 20\_\_\_\_\_

# PARTNERSHIP FOR QUALITY

HEALTHY PEOPLE. HEALTHY BUSINESS.

A HEALTHCARE PROPOSAL  
PREPARED FOR:

**CITY OF SCRANTON**

SUBMITTED TO:  
City of Scranton

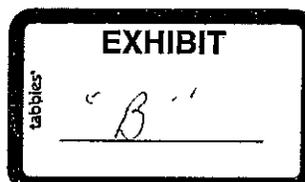
PRESENTED BY:

Highmark Blue Cross Blue Shield  
Eileen Marsico, Sr. Client Manager

#### DISCLAIMER

This response does not constitute an offer to contract. Furthermore, the responses and information provided are based on our current understanding of the requests posed and are limited in scope to the information that was available at the time the responses were prepared.

The recipient of this response acknowledges and agrees that the information contained herein is confidential and proprietary and, as a consequence, may not be disclosed to any third party without the specific written consent of Highmark Inc. d/b/a Highmark Blue Cross Blue Shield.



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- C. Trend Guarantee
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**PROPOSER INFORMATION**

**QUALIFICATION AND EXPERIENCE**

**ATTACHMENTS**

**DISCLOSURES**

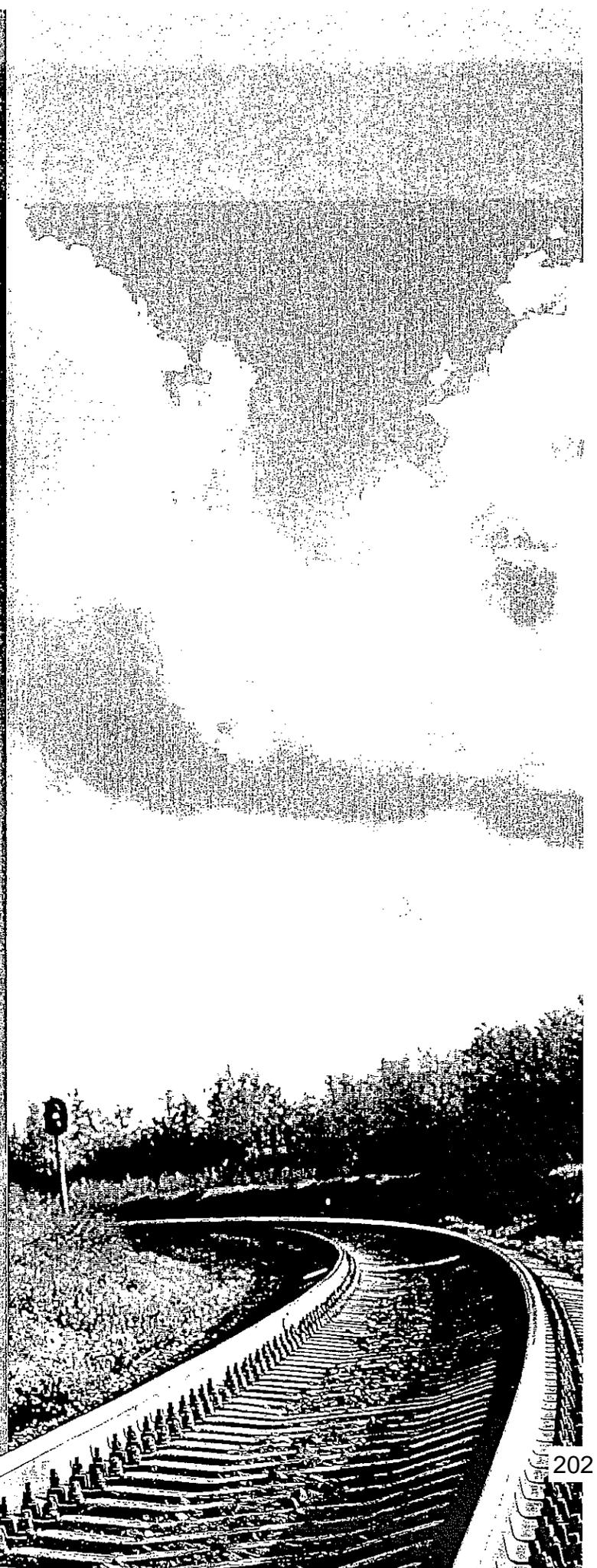
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# Executive Summary

# Integrated Solutions for a Healthier Bottom Line



# Executive Summary

According to Kaiser's 2016 Employer Health Benefits Survey, "companies are beginning to shift incentive strategy away from primarily rewarding desired behaviors or improved health status, to a focus on building a healthy workplace culture."<sup>1</sup>

The City of Scranton has been a 40+ year's client of ours! As we continue to deliver a differentiated experience through a proactive, highly collaborative partnership, we seek to better understand what your employee's value.



*Engagement, Education and  
being able to deliver our services  
at the right time, to the right  
people, at the right cost.*

In 2016, 74 City of Scranton members were targeted, 33 reached and 20 engaged = \$24,844.40 in cost savings!

Growth and perpetuity can occur if we focus on developing a customized, comprehensive and data-driven health management strategy to address your population's specific clinical and lifestyle risks—keeping low-risk members at low-risk and preventing others from moving into higher risk categories. We know that cost follows risk. In fact, we estimate > \$11 million in cost savings have been realized for 125 unique clients whose members made positive lifestyle behavior changes over a three-year period by quitting tobacco, increasing physical activity, managing stress and losing weight .

*Highmark Blue Cross Blue Shield (Highmark) is working to keep our members healthy and well-educated with seamless, integrated solutions. We connect members to a healthier lifestyle through:*

Culture change with a long term health care strategy

Value that focuses on quality with maximum administrative efficiency

Choice that allows access when and where it's needed which will minimize disruption

Innovation that seeks to improve utilization, drive down costs and reduce overall plan costs

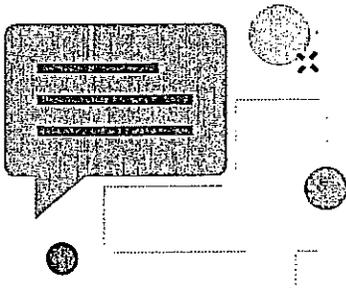
<sup>1</sup> The Kaiser Family Foundation/Health Research & Educational Trust 2016 Annual Employer Health Benefits Survey (Kaiser/HRET) reports findings from a telephone survey of 1,933 randomly selected public and private employers with three or more workers.

# Collectively Improving Health, Managing Cost & Delivering Results

Aligning with our clients' ever-changing health care needs, the City of Scranton will benefit from our innovation solutions at every level in the health care continuum. Highmark will successfully develop and incorporate any of the City of Scranton's health promotion strategies.



## WHY IS CULTURE IMPORTANT?



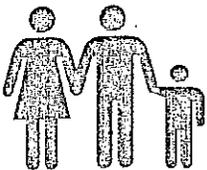
**"...organizations that foster a strong culture of health, through leading by example and encouraging healthy activities, will cultivate a workforce that demonstrates health behaviors and is more actively engaged."**

– Joann Hall Swenson, Health Engagement Leader at Aon Hewitt

*Example, encouraging a culture of engagement takes initiatives and starts with basic awareness. We have worked with the City of Pittsburgh initiatives since 2009 and have evolved a comprehensive, data-driven approach to health management. Their participation rates have increased by 73% since 2015.*



Friends, family and where we live and work are some of the largest influencers and key factors to our overall wellbeing. To optimize the City of Scranton's health care experience and to impact lifestyle risk factors on a larger scale, it is critical to include social influence and community engagement to the plan.



- 77k+ residents reside in the city of Scranton
- Scranton is attracting a younger and more digital workforce (Uber, Google, etc.)
- With the rising costs and complexities of health care, consumers are more engaged in their health care decisions
- Scranton is Ranked 100th by Gallup/Sharecare Well-Being Index<sup>2</sup>



Seamless care management program provides a positive member experience. We provide a total health management solution—an integrated condition, case, utilization and lifestyle management program—to positively impact adherence and utilization patterns of your population. We are committed to providing the right care for the right member at the right time.

<sup>2</sup> Gallup-Sharecare \* Percentages indicate those who exercised for 30+ minutes, 3+ days in the last week.

## CENTRAL TO OUR APPROACH



Primary health coach develops a strong relationship with members and empowers them to self-manage their health with condition and lifestyle-specific tools.



24/7 nurseline provides convenient access to a health coach for clinical concerns.



State of the art clinical platform that allows the health coach to easily and quickly navigate through all clinically important information for each member.



Data from all available health plan sources including medical, pharmacy, dental and vision claims, Wellness Profile and biometric screenings informs coach interactions.



Predictive modeling allows us to identify and stratify members and prioritize outreach for the greatest health and financial impact.



Personal wellness consultations include weight management, tobacco cessation, nutrition, stress management and physical activity.



Client-specific reporting includes outcomes which integrate clinical, financial and operational measurements for a total aggregate picture of performance.

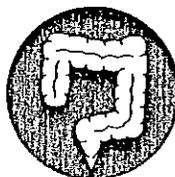
## RECOMMENDATION

Top 4 high cost claimants for the City of Scranton include: Cancer, Digestive, Kidney Failure and Scoliosis. Getting preventive care and age appropriate screenings will greatly benefit the City of Scranton. A Wellness Profile campaign would be the best place to start... *it will be the baseline for lifestyle change, grab their attention and bring awareness to change.*

### TOP HIGH COST CLAIMANTS FOR CITY OF SCRANTON



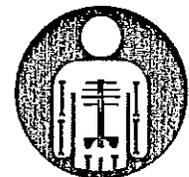
CANCER



DIGESTIVE

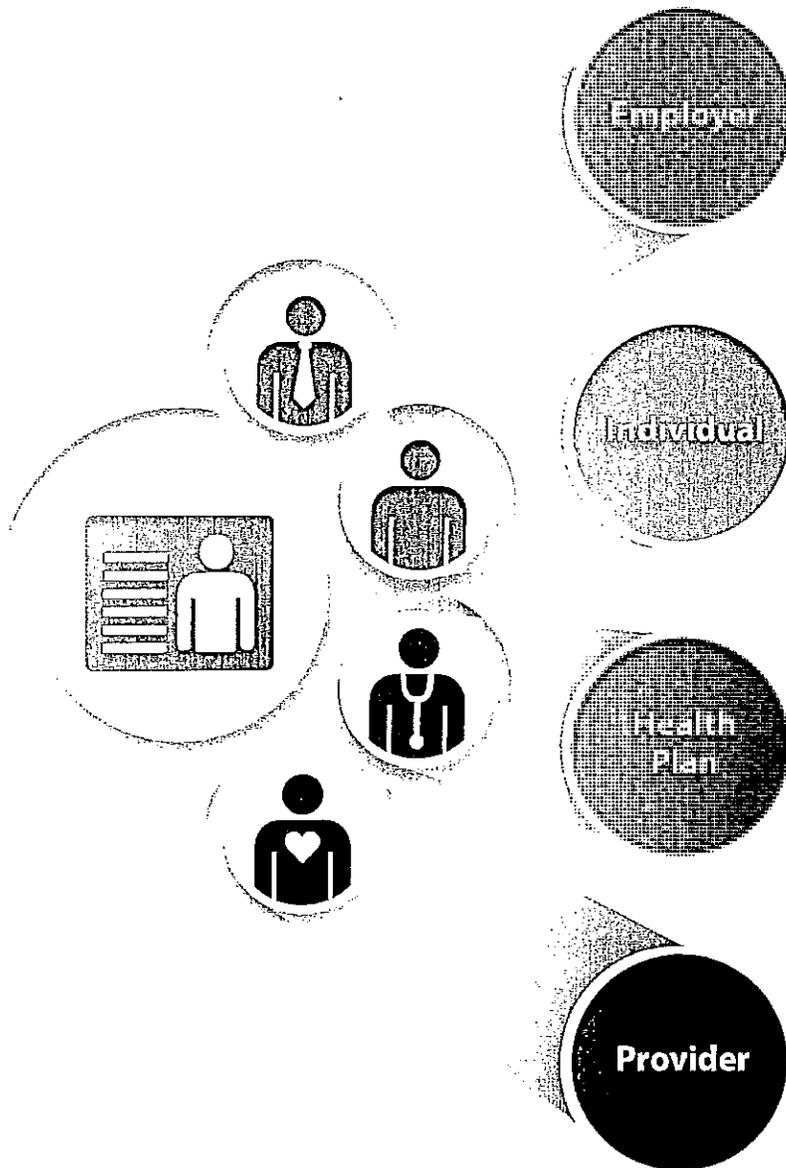


KIDNEY FAILURE



SCOLIOSIS

## *Benefits to the...*



- Influences population health strategy.
- Demonstrates tangible evidence of success.
- Identifies impact of health on employee productivity.

- Highlights strengths and opportunities.
- Prioritizes steps for positive change.
- Provides tailored recommendations for immediate use.

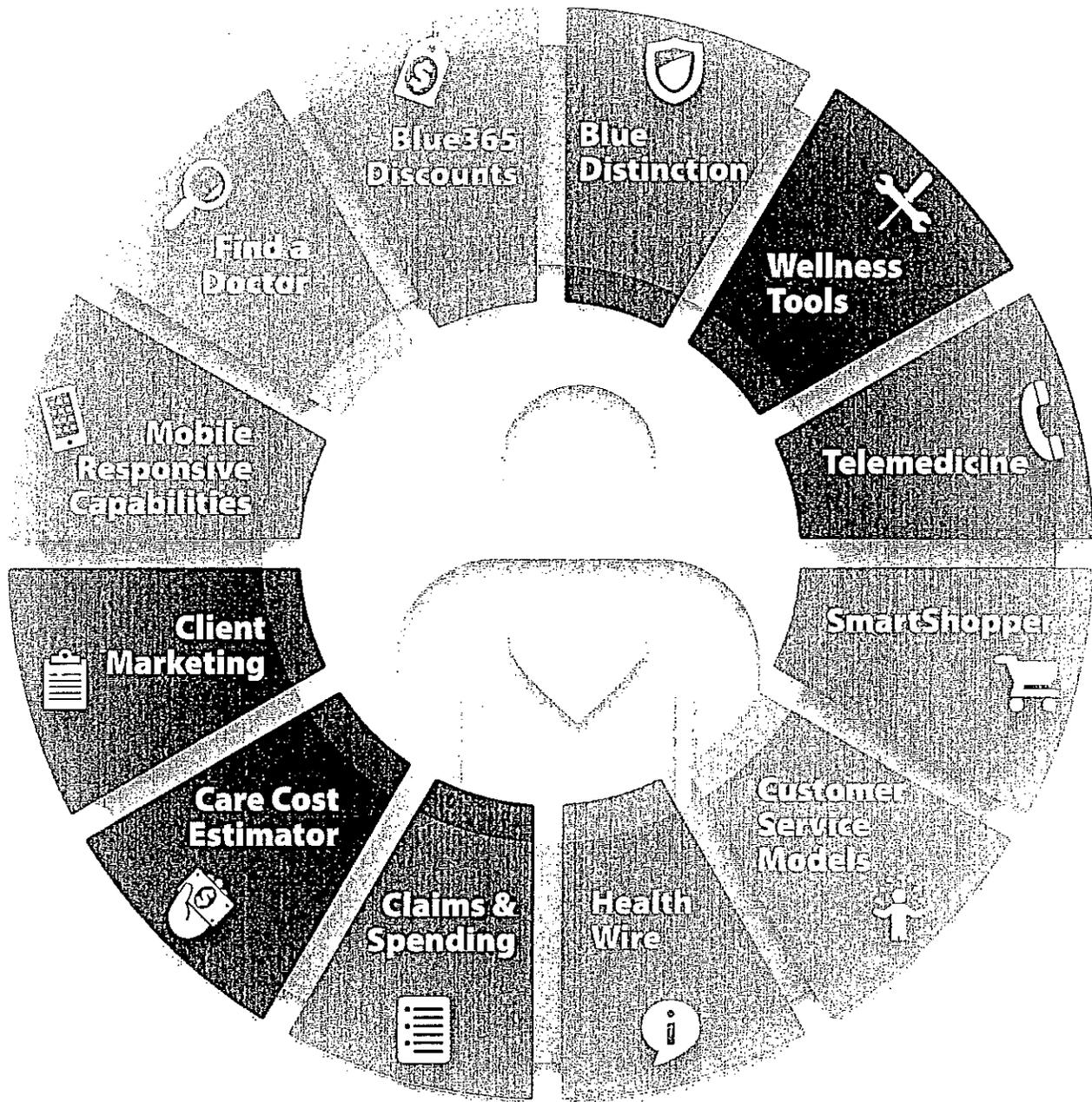
- Enriches data set to address all risk segments.
- Enhances coaching efficacy.

- Prioritizes the focus for lifestyle change.
- Uncovers hidden risk factors.
- Gives insight into individuals' perceptions of their health.

# Member Engagement Tools

## EDUCATING THE MEMBER

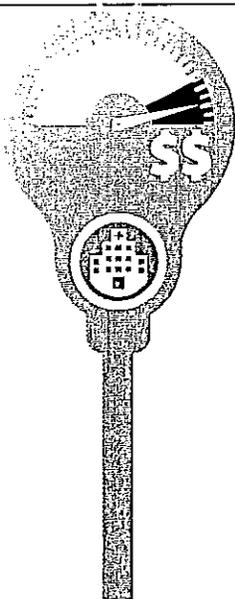
*As our client's health care strategy evolves, we have the tools and resources available to members to make educated decisions on their health care choices.*





*Empowering members to shop for their health care like an expert.*

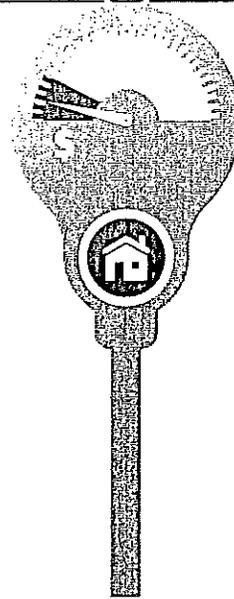
**HOSPITAL**  
\$1,500/hour



## **Costs Differ Dramatically by Location**

The cost of your health care depends on where you park

**OUT-PATIENT**  
\$60/hour



### **When Your Employees Shop, Everyone Saves**

Your employees are looking for help to understand the cost and quality of their health care choices, so they can take control and manage their out-of-pocket expenses. The SmartShopper Program is a game changer. SmartShopper guides employees to high-quality, lower-cost options, resulting in important savings for you and your employees.

SmartShopper is a full-service incentive and engagement program that activates employees to change behavior and shop for health care like an expert. It uses a powerful incentive – cash – that pays employees when they shop for routine health care services. The program is easy to use and delivers measurable and sustainable engagement and savings, resulting in verifiable ROI.

### **How it Works**

When a procedure is ordered for a patient, they have multiple ways to shop. They can go online or call to get a list of the facilities in their area, along with the cost and quality ratings. If they choose a lower-priced provider from the options presented, they are rewarded with an employer-funded incentive check. So they get paid cash, and save money for themselves and their employer.

**\$600+**

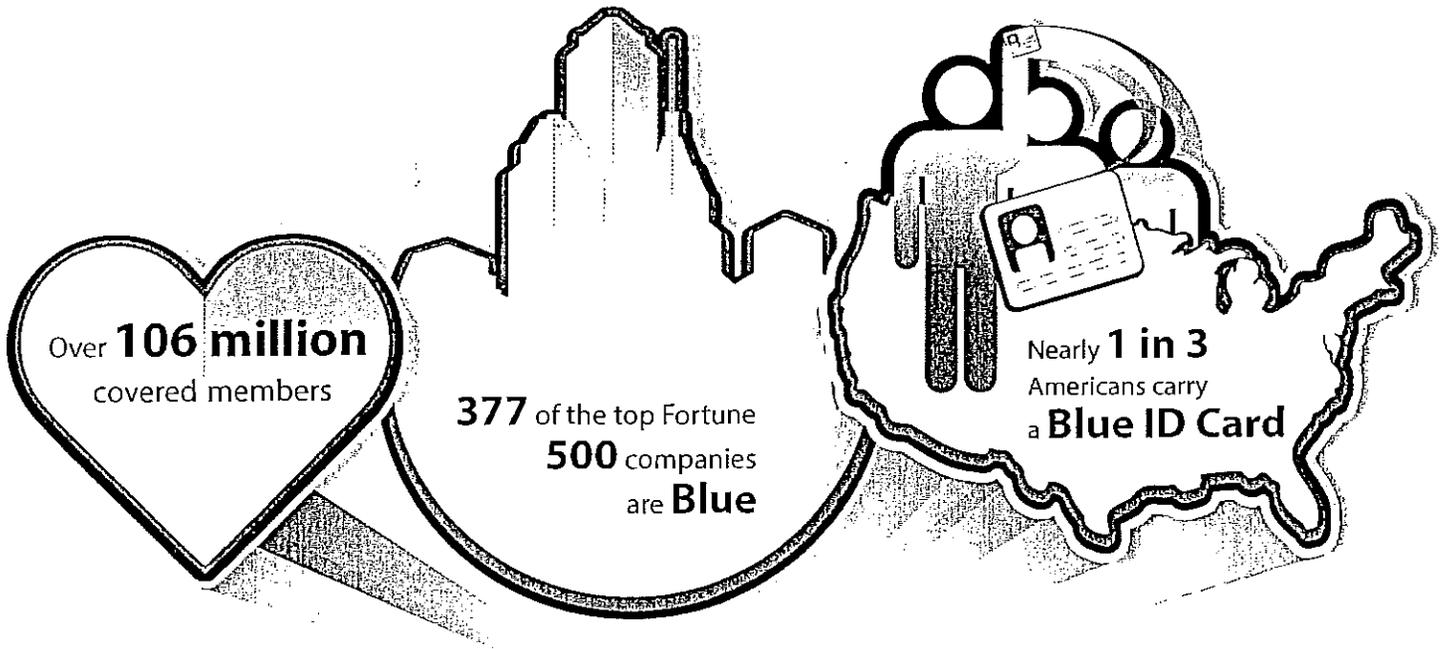
Net Savings  
per Incentive

**\$78**

Average Employee  
Incentive Awarded

# Network Optimization

At the heart of the power of Blue is the largest provider network available in the country, encompassing 93 percent of physicians and 96 percent of hospitals. This magnitude translates into 97 percent of claims paid at in-network rates, compared with competitors' average of 93 percent. Each day, we use the power of our leading position and the strength of our provider relationships to deliver a low total cost of care for national employers — often the lowest in the industry by far. Blue companies deliver the lowest cost-per-claim average in the industry, through leading discount positions in 65 percent of markets across the country, with a 12 percent total cost of care advantage.



## What this means for the Client

In-Network  
Access  
Exceeding  
**97%**

Overall National  
Discount  
Advantage  
**52%**

Out-of-Network  
Claim  
Savings  
**46%**

More than  
**96%** of all hospitals  
.....  
**92%** of all physicians

# True Performance Program

Highmark continues to expand its value-based reimbursement programs throughout the continuum of care - improving patient experience of outcomes while reducing avoidable costs. (These programs are currently in the market or will be rolling out within the next calendar year.)

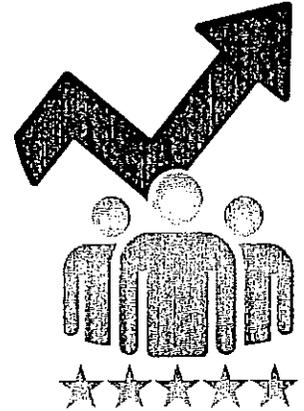
**Quality Blue Hospital** creates incentives focused on cost of care and overall quality for over 110 hospitals throughout Highmark's footprint

**True Performance Plus** creates a gainshare opportunity for providers who are able to manage total cost of care below a target while maintaining high quality standards

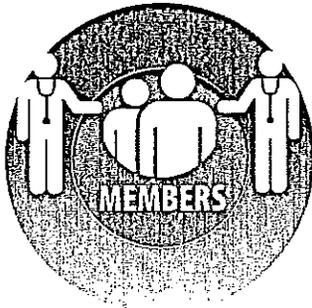
**True Performance Advanced** creates opportunities for providers to be exposed to downside risk increasing accountability and incentive to work with patients outside traditional settings of care

**Home & Community Services (HCS) P4V Program** creates incentives in the post-acute space to increase quality and improve the member experience

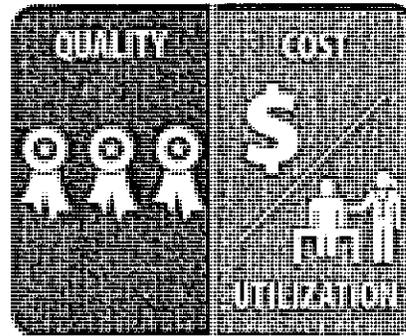
**Continued expansion of advanced payment models targeting cancer, chronic episodes of care, pediatrics, and more**



The True Performance program is structured around two components: Quality and Cost & Utilization



Quality is measured based on nationally recognized standards—like comprehensive diabetes care and immunizations—which are proven to lead to better patient outcomes.



The Cost & Utilization component evaluates the ability of the physician to promote member well-being, while helping to control costs.

## TRUE PERFORMANCE IS MAKING AN IMPACT

### Western Pennsylvania

- 230 entities
- 558 practices
- More than 627,000 members

### Central Pennsylvania

- 154 entities
- 439 practices
- More than 500,000 members

### NEPA

- 102 entities
- 159 practices
- More than 137,000

### West Virginia

- 65 entities
- 284 practices
- More than 140,000 members

### Delaware

- 71 entities
- 120 practices
- More than 114,000 members

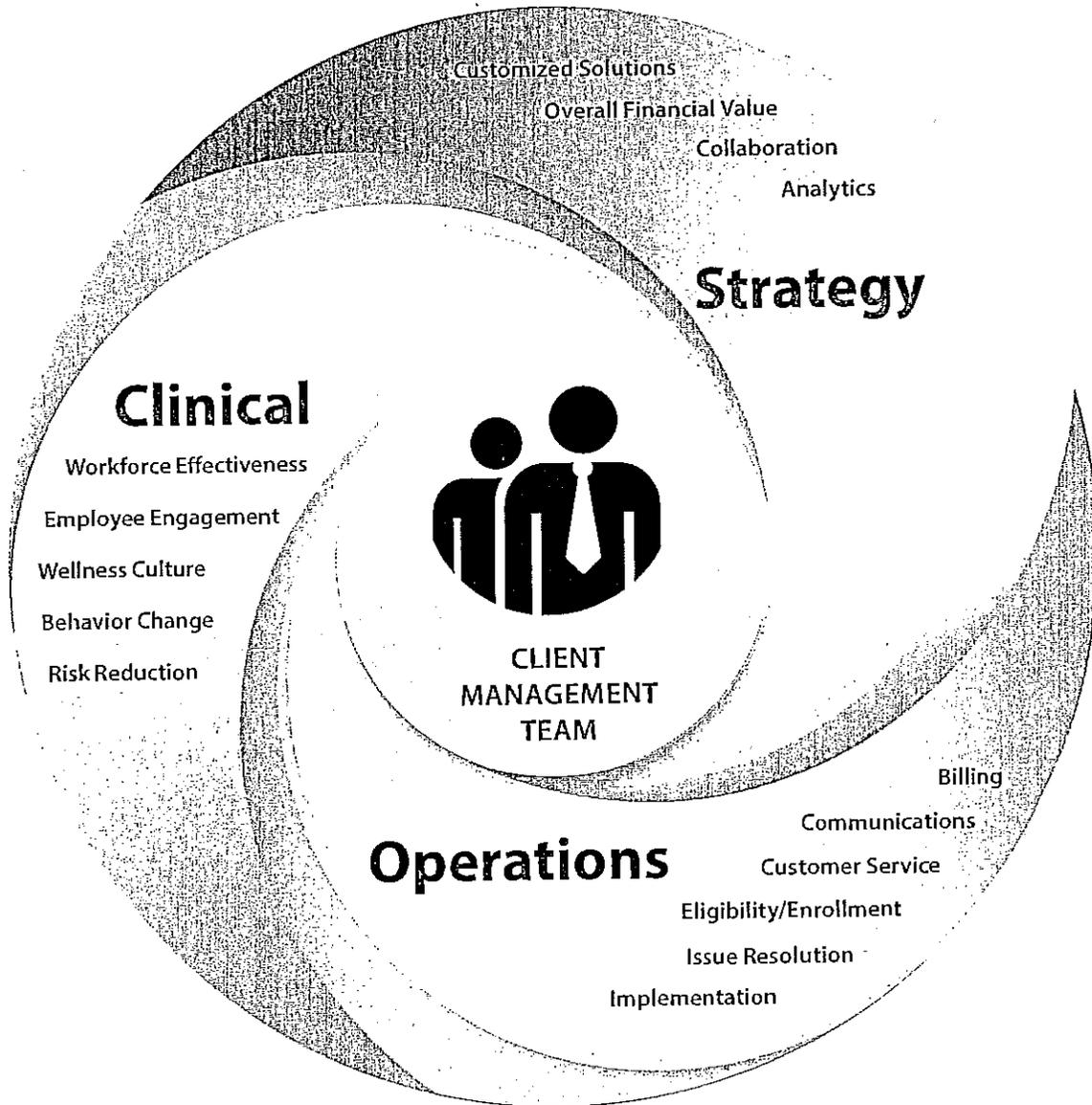
### Quality Blue ACO

- 31 practices
- 175 practitioners
- More than 33,000 members

624 Contracted Entities • 1,596 Practices • More than 1 Million Members

# Dedicated Client Management Team

We strive to stay ahead of the City of Scranton's next challenge. Our values help drive our partnership by putting the City of Scranton at the center of our integrated medical and pharmacy strategy. Highmark continues to be accountable and innovative in an ever-changing market.



Eileen Marsico

Client Manager

Allison Tighe

Senior Client Service Manager

Dr. Chris Clark, DO, MHA

Medical Director

Jaime Coleman, MS, RD, LDN

Health Strategy Consultant



November 3, 2017

Ms. Danielle Kennedy  
Director of Human Resources  
City of Scranton  
340 North Washington Avenue  
Scranton, PA 18503

RE: The City of Scranton Request for Proposal

Dear Danielle:

Thank you for extending Highmark Blue Cross Blue Shield (Highmark) the opportunity to provide you with a proposal for the continued administration of the City of Scranton

The Blue brand is the most trusted name in Healthcare and is well positioned to assist The City of Scranton by providing the lowest net cost, ease of employer and member administration through our integrated products and systems, cutting edge population management and superior service, regardless of where The City of Scranton employees reside.

Please be advised that the enclosed response supersedes any and all prior offers agreed upon and executed between Highmark and The City of Scranton.

As the incumbent administrator, we have not repriced medical/professional claims.

To be provided additional consideration, our submission of The City of Scranton's Request for Proposal includes the following:

- An aggressive three year multiyear administrative guarantee for the active population, as well as a more aggressive option for combining the active and retiree population.
- Performance Guarantees including performance measures, provider discount, as well as a trend guarantee and customer loyalty credit..

## PERFORMANCE MEASURES

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Superior performance is the expectation at Highmark. To that end, we have placed 10% of Highmark's medical administrative fees at risk for operational excellence, \$10,000.00 for provider facility performance measure, as well as a medical trend guarantee.

## **PROGRESSIVE TOTAL HEALTH MANAGEMENT APPROACH**

---

In these challenging times, achieving improvements in member health status and managing the trend of future health care costs is of paramount importance.

Through PPO Blue, Highmark has become a pioneer in the development of Patient Centered Medical Homes (PCMHs) and Accountable Care Organizations (ACOs). By providing lower costs but a better quality delivery of medical care, we all benefit by reduced medical costs. We are also leading the way of how health costs are being managed by the addition of a new and innovative provider reimbursement methodology called True Performance.

## **WEB-BASED TRANSPARENCY TOOLS**

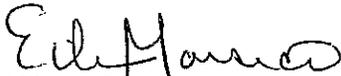
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Our best-in-class transparency tools make it easy for The City of Scranton members to compare reliable cost, quality and provider information on a complete instance of care basis and choose the best value. These tools help members control your bottom line. The breadth and scope of our extensive set of transparency tools far exceeds those of our nearest competitors. Coupled with your health management strategy, these tools can be particularly effective in helping to meet our long-term strategic goal of promoting a greater degree of awareness within The City of Scranton employee population.

Our partnership with the City of Scranton has been very productive. In the spirit of partnership and with the continued sense of collaboration that our companies have developed, we very much look forward to building upon these successes in the future.

On behalf of the entire Highmark team, I would like to take this opportunity to emphasize how much we appreciate the confidence that The City of Scranton has shown in us and how much we value the relationship that our companies have established over the many years. Highmark delivers a seamless network across the nation, lowest cost solution, along with a seasoned team to work with The City of Scranton to deliver a more productive, healthier employee that will also impact the overall bottom line for your company.

Best Regards,



Eileen Marsico

Senior Client Manager, Strategic Accounts  
Highmark Blue Cross Blue Shield

**Tab 2: Scope of Work**

# THE REQUEST FOR PROPOSALS

Separate sealed proposals will be received by the City of Scranton, 340 North Washington Avenue, Scranton, PA 18503 until 10:00 a.m. on Friday, November 3, 2017 at which time they will be opened in the City Council Chambers for the following:

## CITY OF SCRANTON

### MEDICAL CLAIMS ADMINISTRATIVE SERVICES

All proposals are to be in accordance with the Request for Proposal (RFP) specifications which are available and can be picked up at the Office of the Bureau of Purchasing, 4th Floor, City Hall, 340 North Washington Avenue, Scranton, PA 18503. The Request for Proposals can also be obtained via email at our website, [scrantonpa.gov](http://scrantonpa.gov), but supporting data can only be obtained in person or via email. If you obtain the Request for Proposal via our website, please make sure to obtain supporting data via email or in person.

The requested services will be provided for a period of three (3) years, from approximately January 1, 2018 to December 31, 2020.

Sealed envelopes containing proposals will be received and identified by "City of Scranton Medical Claims Administrative Services" on the outside with the wording "City of Scranton Medical Claims Administrative Services." The envelopes should be delivered or mailed to the Office of the City Controller, at the address listed above, so as to arrive by the date and time specified above. The City of Scranton will require six (6) copies of this proposal.

If you have any questions, please call Danielle E. Kennedy, Director of Human Resources/Assistant Business Administrator at (570)-348-4232, [dkennedy@scrantoripa.gov](mailto:dkennedy@scrantoripa.gov).

# 1. PROPOSAL REQUIREMENTS

Proposals shall be accepted only from respondents ("Proposers") who have:

1.1.1. Obtained from the City of Scranton a complete set of Proposal Documents and any addenda thereto issued by the City of Scranton (sometimes referred to as the "RFP"), consisting of the following five (5) sections and five (5) attachments:

## SECTIONS:

1. The Solicitation -Notice to Proposers
2. Project Definitions and Requirements
3. Instructions to Proposers
4. Proposer Information
5. Proposal Evaluation, Negotiation, and Contract Award

## ATTACHMENTS:

1. Disclosure Form
2. Demographic Survey
3. Census
4. Claims
5. Plan Design

1.1.2. Submitted a proposal pursuant to the instructions in this RFP as set forth in Section 3.

In evaluating the proposals, the City of Scranton will consider the demonstrated experience and ability of the Proposer to deliver the proposed services, the scope and value of the proposed services, and the financial proposal of each Proposer as described in this RFP.

The City may appoint a broker/agent locally to assist with the management of a nationally based account package. This appointment may be fee based.

The City of Scranton hereby solicits proposals in accordance with these Proposal Documents.

## TAB 2\_SCOPE OF WORK

Please note that our response to the request for proposal (RFP) constitutes current statements of our capabilities. We cannot accept RFP provisions that require us to accept our responses as being contractually binding, as facts and circumstances may change from the date of the RFP to the date of actual contracting. As such, we can only agree to be bound by a final, formal contract/agreement.

## 2. PROJECT DEFINITION AND REQUIREMENTS

### 2.1. OVERVIEW OF CITY OF SCRANTON

The existing healthcare medical claims administrative services in Attachment C.

### 2.2. SCOPE OF WORK

The City of Scranton is requesting a bid to provide professional claims processing services for the City. All submittals should detail the firm's or individual's qualifications to perform TPA/ASO medical claims administrative services for the self-funded medical plan only for the City of Scranton Active Employees and COBRA participants. The bid should include a minimum three year TPA/ASO medical claims administrative service fee and be able to meet the specific set-up requirements as defined by Bargaining Unit contracts which state "equal to or better coverage," as well as maintain current provider network. The self-funded medical plan is considered to be a large group, 500 - 1,000 contracts. Stop Loss Insurance is not requested and should not be included with the bid.

The following detailed services are required:

- Provide a competitive discounted network for both facility and professional based services in Northeastern Pennsylvania, mid-Atlantic region, and nationally.

Please refer to Tab 6\_Attachments: A\_City of Scranton – 2017 Discount Guarantee Proposal.

- Provide any charge for requested reports.

Highmark's web based reporting tool: Reports@Hand, is included without additional costs. Nonstandard and Ad Hoc reports designed to the City of Scranton specifications are available on a case by case basis. A quote per report is required. A cost of development @ \$250.00 per hour.

- Provide a cost analysis based on the City of Scranton's attached spreadsheet.

Confirmed.

- Provide a reporting package for self-funded medical plan to include the following:

- Reports which include detailed electronic weekly paid claims.

Confirmed; i.e. EBill.

- ACH Credit Billing for the TPA/ASO medical claims administrative service fee.

Confirmed.

- Monthly Stop Loss Report.

Confirmed; i.e. Reports@Hand.

- **Electronic enrollment process capabilities.**

Confirmed.

- **Provide enrollment cards for members.**

Confirmed.

- **Monthly case management report.**

Confirmed.

#### ROBUST REPORTING PACKAGE INCLUDES MEASURES FOR SUCCESS

One of the markers of a truly successful program is the ability to clearly define and examine criteria to determine its effectiveness. Industry-leading analytic capabilities are leveraged to provide a multi-dimensional reporting package for City of Scranton. Our standard reports are discussed below and samples are attached for your review.

- **Clinical Performance Review.** This annual aggregate report evaluates key clinical opportunities based on year-to-year comparisons of costs and utilization of the client population. The report also analyzes client risks associated with conditions such as diabetes, musculoskeletal and heart disease. The Clinical Performance Review evaluates key clinical opportunities through findings around the population, participation and impact focusing on population health management. Please refer to **Tab 6\_Attachments: C\_CPR Sample Client.**
- **Operational Dashboard.** This quarterly aggregate report demonstrates program participation on a rolling 12-month period. The report summarizes interventions that include: outbound health coaching, IVR telephonic outreach, targeted member mailings and online tools, services and programs.

Measurements are calculated at the overall population level and reflect several factors such as intervention type and frequency, condition prevalence, wellness program participation and progress toward goals. High-cost members are included. Please refer to **Tab 6\_Attachments: D\_Sample Operational Dashboard** for a sample report.

- **Executive Clinical Summary.** This annual report provides a clinical interpretation of a client's data.

Reporting elements include:

- ♦ Demographics
- ♦ Enrollment and payments by age range
- ♦ Medical and drug utilization
- ♦ Risk and clinical condition analysis

- Preventive services
- Population health management activity

Please refer to **Tab 6\_Attachments: E\_Sample ECS Sample Client** for a sample report.

**The Clinical Consulting Tool.** This report provides a basis for meaningful conversation with smaller clients (50 – 1,000 contracts) regarding risk and wellness efforts and is available to clients with fewer than 1,000 contracts. Please refer to **Tab 6\_Attachments: F\_Sample Clinical Consulting Tool Report Sample.**

- **Wellness Profile Results.** Annual reports provide lifestyle behavior risk, motivation to change behavior, level of self-confidence to change behaviors, biometric risk factors and productivity assessment analysis. Available by segmented population or location, they highlight a client's key areas of risk exposure based on Wellness Profile results:
  - **Wellness Profile Aggregate Report:** Represents one time period. Please refer to **Tab 6\_Attachments: G\_Sample Wellness Profile Aggregate Report.**
  - **Wellness Profile Comparative Report:** Represents aggregate data for matched cohorts (the same population year over year) for up to two time periods. Please refer to **Tab 6\_Attachments: H\_Wellness Report Comparative Report.**
- **Biometric Screening Report.** Biometric aggregate reports are available to clients within 30 days following the completion of the screening event or within two weeks of request. Aggregate reports are also available by location for those who host screening events in multiple locations. Please refer to **Tab 6\_Attachments: I\_Sample Biometric Report.**

Clinical reports are generally provided quarterly and annually. Wellness Profile reports can be provided more frequently.

All reports are available in both paper and electronic formats upon request. Report availability varies depending on the report. Typical turnaround time ranges between one week to one month after the end of the requested time period (depending on the requested amount of ad hoc analysis). We do not provide monthly case management reports.

- **Service Representative for periodic enrollment meetings.**  
Confirmed.

- **Online reporting capabilities.**

Confirmed. Our interactive, web-based reporting tool offers the City of Scranton the ability to submit and schedule requests for standard utilization and supplemental reports in real time. The City of Scranton will receive/receives uniform, standard reporting packages for both medical and prescription drug. Our online tool eliminates the need for storage of paper reports and increases productivity by meeting the City of Scranton's needs faster.

Reporting functionality allows the City of Scranton to:

- Obtain data quickly via electronic format
- Download information easily for further analysis
- Structure selection screens for request generation
- Submit and schedule report requests based on needs
- Notify by e-mail when requests are complete
- Simplify employee segmentation reporting

Additional ad hoc reporting tools provide users with access to a variety of robust ad hoc reports using point, click and drop technology.

- **Integrated health and wellness programs.**

Confirmed.

We support worksite wellness with a population health management approach. We will continue to work with City of Scranton to develop a data-driven health management plan and help them establish a culture of wellness, the foundation of a successful worksite wellness program. We also will continue to provide coaching with a complex case or disease manager, and offer a rewards program and effective customizable communications designed to peak member engagement.

A successful worksite wellness program not only impacts members' health, it can positively impact City of Scranton's bottom line.

We published a four-year study of client group wellness programs demonstrating that they saved \$332 per wellness program participant, a substantial savings for clients that establish a worksite wellness program.

From our experience, successful member engagement in health and wellness programs can be realized through:

**The right health management plan.** Our clinical team will help City of Scranton achieve their health and wellness goals. We will collaborate with them to build a customized, data-driven health management plan that's designed to impact risk, increase engagement and support worksite health and wellness initiatives. We will also work with them to set and achieve realistic participation goals based on their needs.

An important part of the plan includes building a culture. We know from experience that a supportive culture provides the foundation for a successful and sustainable worksite health and wellness program.

As an example, we have provided a sample health management plan for review. Please see **Attachment: L\_Sample Health Management Plan.**

**Care Management.** Due to the complexity of today's health care system, we have redesigned and enhanced our health management solutions to best meet City of Scranton's health care needs and focus on increased engagement. This newly customized strategy uses a multi-disciplinary team of expert clinicians and a multi-channel outreach approach. By leveraging the strengths of a multi-disciplinary team, our goals are to meet member needs, improve care coordination and manage medical expense. This physician-supported team consists of complex case and disease managers, behavioral health specialists, social workers, pharmacists, medical directors and clinical coordinators.

Our health management strategy includes complex case and disease management and inbound wellness coaching with structured programs and measured outcomes to focus on care, connection, coordination and cost for the most prevalent and emerging health conditions, including asthma, CAD, CHF, COPD, diabetes, musculoskeletal pain, metabolic syndrome and behavioral health. These targeted programs strategically align with many of the prevalent conditions found in City of Scranton's membership, which include musculoskeletal, high blood pressure and behavioral health. Additional areas of focus include transitions of care, ER outreach, high cost claimants and wellness.

Our care management team uses a proprietary 360-degree nurse dashboard to enhance member engagement. Our advanced analytics and partnership with Verscend provides our care management team with identification and stratification methodology that allows us to target members where we can make the most difference.

Our experience shows that when members engage with a complex case or disease manager, they avoid annual costs totaling \$1,242.22 per participant. In the previous year, we successfully engaged 20 City of Scranton members for a potential cost savings of \$24,844.40. We know a high percentage of your employees have historically been unable to reach due to no return phone call. To enhance awareness of the health management resources available to them we recommend all City of Scranton members be included in a "Make the Call" communication campaign.

**Rewards.** Our wellness rewards program will support City of Scranton's wellness strategy. These engaging incentive package options educate members on their health status and motivate them to participate in health-enhancing programs and activities. To promote behavior change and reward healthy habits, we bring simple, flexible incentive program options:

**Activity-based** programs reward members for completing standard actions such as taking the Wellness Profile, receiving a preventive exam or attesting to being tobacco free.

**Points-based** programs allow members to earn points for completing the Wellness Profile, participating in employer-sponsored programs or receiving preventive care.

**Outcomes-based** programs reward members for meeting targets or making progress with BMI, blood pressure, LDL cholesterol, glucose or cotinine (optional). In alignment with Affordable Care Act requirements, we offer reasonable alternatives for any individual who does not meet biometric targets. Members may choose from activities such as using the online health trackers, completing online assessments for certain chronic conditions, registering a Fitbit device or setting goals with the online Digital Health Assistant or a case or disease manager.

**Effective communication.** Microsite technology allows us to reduce the administrative burden by automating email communications for a variety of worksite wellness campaigns ranging from weight management to tobacco cessation.

To maximize employee engagement, we also provide City of Scranton with access to an online Consumer Communications Toolkit that contains customizable videos, posters, flyers, plasma ads, articles and emails.

Additionally, City of Scranton members will continue to have the advantage of interactive online programs, tools and resources that offer personalized experiences, engaging them to take active roles in their health. These resources benefit all members, whether at risk for serious health conditions or those who want to maintain healthy lifestyles. Key features include a Wellness Profile health risk assessment, Personal Health Record, Wellness Rewards, Digital Health Assistants, a wide array of Health Trackers, Symptom Checker, Preventive Schedule, smartphone apps, fitness device integration, messaging capabilities, wellness discounts and health education and wellness information.

For a complete listing of our wellness program offerings please refer to **Attachment: J\_Worksite Program Descriptions**. Pricing for individual programs can be found on **Attachment: K\_Pricing Sheet**.

City of Scranton's clinical team will discuss program recommendations with them in detail.

- **Network discount guarantee.**

Confirmed. Please refer to **Tab 3\_Proposed Pricing section: C\_City of Scranton Performance Measures**.

- **Claim processing timeline guarantee.**

Confirmed. Please refer to **Tab 3\_Proposed Pricing section: C\_City of Scranton Performance Measures**.

- **Listing of ancillary and support services included in the TPA/ASO medical claims administrative service fee.**

Confirmed.

**CUSTOMER SERVICE/CLAIMS**

- Toll-free customer service line
- Toll-free group administrator customer service line
- Toll free line for open enrollment
- Translator assistance
- Integrated Voice Response
- Foreign claim translation and processing
- Internal appeals according to DOL claims rule
- **Ability to administer plan designs within the negotiated Bargaining Unit contracts.**

Confirmed.

**The City may appoint a broker/agent locally to assist with the management of a nationally based account package. This appointment may be fee based.**

Confirmed.





2.3. TERM

The contract between the City of Scranton and the successful Proposer will be for three (3) years, from January 1, 2018 to December 31, 2020.

Confirmed.

2.4. PROPOSAL PRICING AND COSTS

a. Proposal Pricing

Each proposal must include the rates to be charged for the services listed below. Please use the administrative pricing, rebates, and discounts format found in pricing tables of Attachment C.

Confirmed.

For medical claims administrative services:

- **A specific breakdown of administrative fees for all subgroups in a per employee per month basis and as a percentage of claims**  
Please refer to Tab 3\_Proposed Pricing: B\_COS Proposal.
- **Network Access Fee**  
4.51% for Bluecard Providers
- **Utilization Management Fee**  
Included in base admin.
- **Case Management Fee**  
Included in base admin.
- **Hard Copy Directory Fee**  
\$5.00 per booklet.
- **Employee/Retiree Communication Material Fee**  
Standard communications pieces included in base admin.
- **Implementation Fee**  
Included in base admin.
- **Special billing Charges**  
Requires additional clarification prior to responding.
- **Online Services Fee**  
Member/Employer Portal as well as Ebill online access included in base admin.

- **Reporting and Special Custom Reporting Fees**  
Highmark's web based reporting tool known as Reports At Hand is included in base admin fee. Nonstandard ad Hoc reporting pricing reviewed on a case by case.
- **Run-Out and Length of Time for Run-Out**  
Run Out Pricing: 35% of ASO fee times the last 4 months of enrollment, Timing: 12 months.
- **HIPAA Certificate Fee**  
Included. Requests to be made through Customer Service.
- **NIA Services (managed radiology)**  
Included in base admin.
- **Creditable Coverage Notice Fee**  
Highmark does not produce notice of Creditable Coverage.
- **Service Fees Other than what is listed above**  
Fiduciary Fee: \$1.30/employee/month ; Transitional Reinsurance Fee: \$2000.00/client/per year; Claim repricing fee \$25.00 per claim, COB Recoveries: Up to 30% of recovered amount, RDSD: \$1000.00/client/per year; External Appeals – PPACA \$1000.00 per case; Stop Loss Reports: \$1,500.00/report; Standard report for non HMIG carrier – Quote per report, Ad hoc/non-standard for stop loss - quote per report. Data Feeds: (Inbound/outbound Highmark standard format) \$1,000.00 per feed; ; Outbound claims data extract \$1,000.00

Please refer to **Tab 3\_Proposed Pricing section: A\_Administrative Fee Services**. Please also refer to **Tab 6: Attachments: B\_Admin Services** for a full listing of all services included in administration fee. Highmark does not agree that any services not addressed in attached document become the expenses of Highmark.

**b. Cost Proposal**

**Proposers should not include any assumptions in their cost submittals. If the Proposer includes assumptions in its cost submittal, the proposal may be rejected. Proposers should direct in writing to the City of Scranton any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the City of Scranton's written answer so that proposals are submitted on the same basis.**

**Please submit your response to the following:**

- **If there is a broker/ consultant with your proposal, please list the percentage or commission amounts the broker will receive if you are awarded the Commission's contract**

Broker/consultant fees are not included within the proposal. If it is the intent of SSD to embed broker/consultant fees and provide a pass through of said fees to

broker/consultant, Highmark can accommodate. Any commissions paid by Highmark are negotiated on a case by case basis.

- **Please provide the expected maximum dollar value of the Performance Guarantees by category as outlined in your proposal.**

Please see the attached Performance Guarantee Document for detail. In aggregate; a total of 10% of administrative fee are at risk. A separate annual \$10,000.00 is at risk for provider discount guarantee.

- **Please quote on an experience-rated basis and provide details (actual rate calculation) on how initial rates were calculated including a breakout of anticipated claims expenses (i.e. pure premium) and non-claims expenses (i.e. retention). Explain simply (verbally and through numeric example) how the proposed rates were developed from current claims experience including levels of discounts; assumed network utilization, etc.**

Highmark does not provide experience-rated calculations on quotes. We use the group's claims experience in our calculation and apply our fully-insured factors, including IBNR, trend and retention, to determine the appropriate rate level for the fully-insured quote.

- **Please detail your experience rating methodology and provide an example of a renewal calculation assuming each of the following.**
  - a) **Claims are 25% lower than expected**
  - b) **Claims are at the expected level**
  - c) **Claims are 25% higher full expected**

Highmark does not provide this information.

- **List the earliest a renewal and COBRA rates can be provided and guaranteed.**

Currently the renewal is released by July 1st. Changes to this date can be accommodated through discussion with Client Manager.

- **List your average loss ratio (paid and incurred) for each product offered over the past three years.**

This information is propriety.

- **Provide details on your "other party liability" functions including documentation of quantifiable savings.**

The goal of our Coordination and Recovery department is to ensure that claims that are another party's responsibility are investigated and coordinated appropriately, in order to minimize costs and still provide maximum benefits to the member. To help achieve these goals, Highmark created a new user friendly Other Party Liability (OPL) System called OPIS (Other Party Information System). A number of COB and Medicare rules are coded into the OPIS system logic which allows for automated primacy determinations to be applied. This automation provides operational efficiency by eliminating multiple sources of data

and redundant processes across multiple systems and improves the integrity of the Other Party Liability data.

You have currently elected a Pay and Pursue COB Investigation Method. As an ASO client, you would have the option of choosing from among the following COB Investigation Methods.

- **Modified Pursue and Pay:** The first claim submitted and approved for payment that meets the specified dollar threshold (currently \$100), a COB questionnaire is generated and the initial claim is processed according to benefits, but subsequent claims will pend during a 30 day member response period. If there is not a response to the initial questionnaire, a follow-up COB questionnaire is issued 15 days later. If after the entire 30 days has expired and a response is not received to either questionnaire, any claims currently pending and future claims deny until a response is acquired.
- **Pursue and Pay:** The first claim submitted and approved for payment that meets the specified dollar threshold (currently \$100), a COB questionnaire is generated and the initial claim and subsequent submitted claims will pend during a 30 day member response period. If there is not a response to the initial questionnaire, a follow-up COB questionnaire is issued 15 days later. If after the entire 30 days has expired and a response is not received to either questionnaire, any claims currently pending and future claims deny until a response is acquired.
- **Pay and Pursue:** The first claim submitted and approved for payment that meets the specified dollar threshold (currently \$100), a COB questionnaire is generated and the initial claim and all subsequent claims submitted are processed according to benefits. If there is not a response to the initial questionnaire, a follow-up COB questionnaire is issued 15 days later. If a response is not received to either questionnaire, another COB questionnaire will be generated approaching the new COB Re-verification Date.

Note: The COB questionnaire has instructions for 3 easy methods of providing a response. The easiest way being to simply dial the toll free number and follow the prompts on the easy-to-use interactive voice response (IVR) system. Other methods include using the web-site or the enclosed pre-addressed courtesy envelope.

- **Provide details on your subrogation functions including documentation of quantifiable savings.**

Highmark does full outsourcing, to Equian, Inc., for Accident Investigation & Subrogation Recovery administration. Equian investigates all paid claims to identify those that involve Subrogation, Workers' Compensation and Motor Vehicle related claims. Then, Equian will recover on the Subrogation claims, while Highmark staff will continue to review and recover on the Motor Vehicle and Workers' Compensation claims.

Claims submitted with accident related Occurrence Codes, Value Codes and/or an Explanation of Benefits (EOB) will result in the claim pending for up front investigation of possible accidents related to Worker's Compensation, Motor Vehicle or a Third Party. This investigation is handled internally by Highmark and any subrogation related cases are referred to Equian.

Highmark and Equian's Responsibilities: Equian will review our weekly Medical and Pharmacy paid claims file to identify potential accident claims. Once Equian identifies potential Accident claims, an accidental injury is built into electronic files according to date of injury and Member Identification Number. Episodes (event) of care for claims having similar or related diagnosis codes will be linked together. Once the total of the linked claims paid amount accumulates to \$400.00, the process of mailing letters begins. Equian mails out the initial letter asking members to contact them. If Equian receives a response, the Equian Customer Service Representative will determine if an accident occurred. If the response is No, the "event" (case) is rejected. If the response is Yes, accident details are obtained and documented in their internal system and shared with Highmark. If Equian does not receive a response, up to three additional letters will be mailed for a total of four letters, with the fourth and final letter being issued by Equian's law firm Gibson & Sharps PSC.

If the member does not respond to the four accident investigation letters, and the total payout reaches \$2500, Equian will access certain state and national databases to verify if the member has filed a Motor Vehicle or Workers' Compensation claim or has filed a law suit against a third party. The search stays active for 1 year, searching for a hit. If, when Equian reviews the database and finds that the member has filed a claim, since the liability carrier is identified on the database, Equian will usually contact the liability carrier directly. If the member has filed a law suit, the member's attorney is usually identified on the database and Equian will contact them directly as well. If Equian can get what they need from the database, then there is not a need to contact the member again for this information.

If Equian determines that a claim is Motor Vehicle or Worker's Comp related, even if it did not originally suspend during processing, Equian will send that identified claim back to Highmark to retract, at which time Highmark will pursue the details of the accident and a refund on the paid claim.

When a lien is settled, Equian will send the Highmark Finance area all Subrogation recoveries via an EFT wire transfer and an Autopost file, that lists all medical and pharmacy claims, pertaining to that event. Recoveries are applied to the claims with specific indicators which post the savings to the claims.

- **Describe in detail how the credibility of the group's experience is determined.**

This does not apply, as the group is 100% credible.

- **Describe your current pooling level and how any applicable charge is calculated.**

This group is over our size limit for pooling, so no pooling charge is included and no claims would be removed from the calculation.

- **Describe the funding arrangements that you offer.**

ASO, ASC and Fully insured.

- **Under an ASO arrangement, when does the settlement process take place, assuming 12/12 stop loss? Assuming a 12/15 stop loss?**

Settlements do not occur as reimbursements for those members who have breached the specific deductible are made ongoing through the contract period through HMIG.

- **Under an ASO arrangement, is an advance deposit, cash advance, or letter of credit required? If so, how is the initial amount determined? How is each subsequent year determined?**

N/A.

- **Are there any payment options available that would eliminate the need for an advance deposit, cash advance, or letter of credit (i.e., weekly billing)?**

Our standard arrangement is weekly billing and includes the 15 day reserve.

- **The City is certified for participation in Early Retiree Reinsurance Program and will need quarterly claim reports from the medical vendor. Please list any costs associated with quarterly reporting for the Early Retiree Reinsurance Program.**

Reporting available via Reports At Hand is available at no additional cost. Nonstandard or ad hoc reporting does incur costs as previously reported. To provide RDSD services, the retiree population including prescription drug is required to be on the Highmark platform. Please see RDRS area of RFP for further details.

**Any costs not provided in this cost proposal will be assumed as no charge to the City of Scranton.**

## 2.5 LICENSING

**The successful Proposer must be authorized to do business in the Commonwealth of Pennsylvania and comply with all pertinent state and federal requirements, codes, and regulations.**

**Proposer must have a valid business privilege license, issued by the Commonwealth of Pennsylvania's Department of Licenses and Inspections, to do business in the Commonwealth of Pennsylvania, prior to entering into any contract with the City of Scranton.**

Agree.

## 2.6 INFORMATION/PRODUCT

All reports, surveys, tables, charts, diagrams, design work, product recordings, and other data (including electronic, audio, and video) or documentation prepared or compiled by Proposer in connection with the performance of its obligations under the contract, shall be the sole and exclusive property of the City of Scranton. Proposer shall retain in its files sufficiently detailed working papers relevant to its engagement with the City of Scranton. Proposer further agrees that its working papers will be held in the strictest confidence and will not be disclosed or otherwise made available to outside sources, except as required by law, within the written consent of the City of Scranton.

Agree.

## 2.7 CONFIDENTIALITY

Proposer must agree to keep confidential any and all information concerning the plans, operations, or activities of the City of Scranton which may be divulged by the City of Scranton or ascertained by Proposer in the course of performing services under any contract with the City of Scranton. In the event Proposer is required to disclose confidential information pursuant to a subpoena, order of court, or other legal process, Proposer shall, upon notice of such required disclosure and prior to disclosure, immediately notify the City of Scranton and allow the City of Scranton the opportunity to inspect the information subject to disclosure, and in the event such disclosure is objectionable under any standard or role of the court, Proposer shall exhaust all legal means to prevent disclosure.

Agree.

## 2.8 INSURANCE

Proposals must include a statement of the prospective bidder's insurance coverage. Proposer shall procure and maintain, at its own cost and expense, insurance with companies that have an A.M. Best's Rating of not less than A- and acceptable to City of Scranton, with coverage limits of not less than stipulated below. The City of Scranton, the Commonwealth of Pennsylvania, and their respective officers, employees, directors, boards, Commissions and agents, shall be included as Additional Insureds on the General Liability, Automobile Liability and Excess/Umbrella Liability Insurance policies. An endorsement is required stating that Proposer's policies will be primary to any other coverage available to the City of Scranton and/or the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents. Any insurance maintained by the City of Scranton will be excess and non-contributory. Furthermore, no act or omission of the City of Scranton and/or the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents, shall invalidate the coverage. All insurance coverage

must be kept in effect during the Contract Period. Loss of insurance coverages could result in the voiding/termination of the Contract.

- **Worker's Compensation and Employers Liability.** Worker's Compensation Insurance as required by statute. Employers Liability coverage to be carried with limits of not less than \$1,000,000.00/per accident, \$1,000,000.00/ disease (policy limit), \$1,000,000.00/ disease (each employee).

Agree.

- **Commercial General Liability.** Commercial General Liability Insurance is required with limits of not less than \$1,000,000.00 Each Occurrence; \$2,000,000.00 General Aggregate; \$2,000,000.00 Products/Completed Operations Aggregate and \$1,000,000.00 Personal/Advertising Injury. The policy shall also cover liability arising from Blanket Contractual Broad Form Property Damage, liability assumed under an insured contract (including tort liability of another assumed in a business contract), and Personal Injury (including coverage for discrimination, defamation, harassment, malicious prosecution, slander, and mental anguish). Products and Completed Operations must be included. ISO Endorsement CG 2139 10 93 (Contractual Liability Limitation) shall not apply to this contract. Such policy must contain a "Severability of Interests" clause. This insurance shall be excess over any other insurance, whether primary, excess, contingent, or on any other basis, that is available to the contractor or its subcontractor covering liability for damages because of Bodily Injury or Property Damage for which the contractor has been included as an Additional Insured. The City of Scranton and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.

Agree.

- **Automobile Liability.** Business Automobile Liability covering all owned, non-owned, and hired autos in required with limits of not less than \$1,000,000.00 Combined Single Limit for Bodily Injury and Property Damage. Such policy must contain a "Severability of Interests" clause. The City of Scranton, and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents, shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.

Agree.

- **Excess /Umbrella Liability.** Proposer shall provide evidence of Excess/Umbrella Liability Insurance with limits of not less than \$5,000,000.00 in Any One Claim or Occurrence. Coverage shall include, but not be limited to, coverage provided by any underlying insurance. Underlying insurance shall include all liability coverage required by this

contract except Professional Liability/Errors or Omissions coverage as outlined below. The City of Scranton and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions and agents shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.

Agree.

- **Professional Liability/Errors & Omissions Coverage.** Evidence of Professional Liability/Errors & Omissions coverage, including Privacy Liability; must be provided, with limits of not less than \$10,000,000.00, with a deductible not to exceed \$10,000.00. Errors & Omissions coverage shall be applicable to any occurrence arising out of the performance of services required under the Professional Services Contract and shall cover liability arising from information technology services including, but not limited to, intellectual property infringement, privacy infringement, and, if applicable, software development services and computer or electronic information technology services.

Coverage under an occurrence form shall be maintained in full force and effect under the policy during the contract period. Under a claims made form, continuous coverage is required. Should an Extended Discovery Period or "tail" coverage be required in the event coverage is terminated, such coverage must be maintained for a period of not less than three (3) years.

Highmark's primary managed care errors & omissions insurance has liability limits of \$15,000,000 per claim and in the aggregate. We also carry excess coverage above these limits. The policy includes a \$3,000,000 per claim self-insured retention. This is not unusual given our size and financial strength.

Highmark also carries separate cyber liability insurance which includes privacy liability coverage. The primary policy has a liability limit of \$50,000,000 per claim and in the aggregate. We also carry excess coverage above these limits. The policy includes a \$5,000,000 per claim self-insured retention. This is not unusual given our size and financial strength.

- **Fidelity/Blanket Crime Insurance.** Evidence of Fidelity/Blanket Crime Insurance with an Employee Dishonesty limit of not less than \$5,000,000.00 shall be submitted to the City of Scranton prior to the commencement of services. Proposer must maintain Third Party (includes money, securities, client's property, and other properties) coverage under the Crime policy. The City of Scranton shall be included as a co-loss payee. A copy of the actual Loss Payee Endorsement is required.

Agree.

### **Additional Provisions**

A certificate of insurance evidencing all of the above coverages shall be filed with the City of Scranton prior to the commencement of work. It shall be the responsibility of the successful Proposer to ensure that all subcontractors carry insurance of not less than coverage and limits specified herein. Proper evidence of this compliance must be forwarded to the City of Scranton prior to the inception of any work by subcontractor.

Renewal certificates and policies, as required, shall be forwarded to the City of Scranton for as long as professional contractor performs the work as specified in this contract. All certificates and policies shall contain a provision that coverage afforded will not be cancelled or materially altered until at least thirty (30) days prior written notice has been given to the City of Scranton.

Proposals must include a statement of assurance that the prospective bidder is not currently in violation of any regulatory rules and regulations that may have any impact on its operations, as well as a statement that the prospective bidder is not involved in any current litigation with the City of Scranton.

Proposals must include a copy of any and all contractual language, including any and all governing terms of the agreement.

Agree. See Professional Liability section for our deviated response.

### **2.9 INDEMNIFICATION**

The Proposer will be required in the contract to "protect, defend, indemnify and hold harmless the City of Scranton, and the Commonwealth of Pennsylvania, and their respective officers, directors, boards, commissions, commissioners, agents, contractors, employees, and/or their invitees from and against all claims, demands, loss, fines, penalties, and causes of action, damages, or liability (i) for bodily injury, including death, and for damage to property, including the property of any of them, incurred by reason of any willful or negligent act of commission or omission of successful Proposer, its agents or employees, arising out of or taking place in the courts of the performance of this contract; (ii) or results from or arises out of the violation of any third party's trade secrets, trademarks, copyright, patent rights, or other proprietary rights in connection with a breach of any warranty set forth in the contract." The indemnification shall include the fees and expenses of attorneys and experts, etc. The Successful Proposer's indemnification expressly includes any claims for personal injuries or death made by or on behalf of Proposer's employees against the City of Scranton, the Commonwealth of Pennsylvania and each of their respective employees, officers, directors, commissions, commissioners, agents, contractors, employees, and/ or invitees.

**The City of Scranton does not indemnify.**

Agree. We can accept an indemnification/hold harmless provision, the terms of which can be negotiated as part of the administrative services only (ASO) agreement. The

indemnification/hold harmless would not apply to (i) benefits payable under the terms of the Plan, (ii) actions or inactions taken at the direction of the customer, an agency of government or court of law, (iii) duties and responsibilities not set forth in the ASO agreement and (iv) actions or inactions taken by providers; including, but not limited to, malpractice.

#### 2.10 CERTIFICATE OF NON-INDEBTEDNESS

The Proposer will be required to certify and represent that Proposer and Proposer's parent company(ies) and subsidiaries) are not indebted (at the time of signing of the contract) to the Commonwealth of Pennsylvania, or the City of Scranton, and will not at any time during the term of the contract (including any extensions or renewals thereof) be indebted to the City, for or on account of any delinquent taxes (including, but not limited to, taxes collected by the City on behalf of the School District), liens, judgements, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available to the City of Scranton at law or in equity, Proposer acknowledges that upon any breach or failure to conform to such certification the City of Scranton shall have the right to, and may, at the option of the City of Scranton, withhold payments otherwise due to Proposer, and, if such breach or failure is not resolved to the City of Scranton's satisfaction within a reasonable time frame as specified by the City of Scranton in writing, this will offset any such indebtedness against said payments and/ or terminate this Agreement for default (in which case Proposer shall be liable for all excess costs and other damages including reasonable attorney's fees resulting from the termination).

Agree.

#### 2.11 NON-DISCRIMINATION

Proposer shall not discriminate or permit discrimination against any person because of race, color, religion, national origin, sex, or sexual orientation. In the event of such discrimination, the City of Scranton may, in addition to any other rights or remedies available under the contract, at law or in equity, terminate any contract with Proposer forthwith.

Proposer shall comply with the provisions of Title VII of the Civil Rights Act of 1964 (42 U.S.C. §200d et seq.), §504 of the Federal Rehabilitation Act of 1973 (29 U.S.C. §794), The Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. §1681), and 45 C.F.R. Part 92, as they may be amended from time to time, which together prohibit discrimination on the basis of race, color, national origin, sex, handicap, age, and religion.

Proposer understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in any contract of Proposer with the City of Scranton or from activities or services provided under such contract. As a condition of accepting and executing such contract, Proposer shall comply with all provisions of the Americans with Disabilities Act, 42 U.S.C.

**§121.01 et seq., and all regulations promulgated thereunder, as the Act and regulations may be amended from time to time, which are applicable (a) to Proposer, (b) to the benefits, services, activities, facilities, and programs provided in connection with this Agreement, (c) to the City of Scranton, or the Commonwealth of Pennsylvania, and (d) to the benefits, services, activities, facilities, and programs of the City of Scranton or of the Commonwealth.**

**Without limiting the generality of the preceding sentence, Proposer shall comply with the "General Prohibitions Against Discrimination," 28 C.F.R. §35.130, and all other regulations promulgated under Title II of "The Americans with Disabilities Act," as they may be amended from time to time, which are applicable to the benefits, services, programs, and activities provided by the City of Scranton through contracts with outsider contractors.**

Agree.

#### **2.13 GOVERNING LAWS**

**Any contract entered into by the City of Scranton will be executed in and shall be governed by the laws of the Commonwealth of Pennsylvania.**

Agree.

#### **2.14 CERTAIN REQUIRED DISCLOSURES**

**In accordance with the Commonwealth of Pennsylvania's contract reform legislation, persons and entities who wish to provide goods and services to the City of Scranton must provide certain information about contributions they have made to elected City officials or candidates for City offices. All Proposers must, therefore, complete Attachment D and include such completed Attachment with their proposal. Please note that the selected Proposer will be required to update such disclosure during the term of its agreement with the City of Scranton and for one (1) year thereafter.**

Once Attachment D is received, Highmark will review internally.



The City of Scranton  
 Self-funded Proposal  
 January 1, 2018 through December 31, 2020

Option #1

Active Employee Population Only					
Product	Current			PROPOSED	
	Contracts	2017 PCPM	2018 PCPM	2019 PCPM	2020 PCPM
PPO Blue	561	\$ 53.13	\$ 46.34	\$ 47.27	\$ 48.21
Classic Blue	41	\$ 62.10	\$ 54.33	\$ 55.42	\$ 56.52
Signature 65	11	\$ 58.83	\$ 51.41	\$ 52.44	\$ 53.49
Annual Admin Dollars: \$ 395,989.92 \$ 345,477.36 \$ 352,386.91 \$ 359,434.65					
Loyalty Credit: \$ \$ \$ \$ 29,952.89					
<i>Terms/Conditions:</i> 2% per contract per year inflator per year 1 Monthly Administrative Holiday 2020 Medical Exclusivity Required					

Option #2

Active and Retiree Population					
Product	Current			PROPOSED	
	Proposed Contracts	2017 PCPM	2018 PCPM	2019 PCPM	2020 PCPM
PPO Blue	561	\$ 53.13	\$ 45.34	\$ 46.25	\$ 47.17
Classic Blue	41	\$ 62.10	\$ 53.33	\$ 54.40	\$ 55.48
Signature 65	449	\$ 58.83	\$ 50.41	\$ 51.42	\$ 52.45
Annual Admin Dollars: \$ 395,989.92 \$ 603,076.32 \$ 615,137.85 \$ 627,440.60					
Loyalty Credit: \$ \$ \$ \$ 52,286.72					
<i>Terms/Conditions:</i> 2% per contract per year inflator per year 1 Monthly Administrative Holiday 2020 Medical Exclusivity Required					

C



Highmark, confident that the clinical services delivered to City of Scranton through the use of medical and pharmacy claims information by experienced clinical staff will deliver significant financial value, offers a definitive trend guarantee for each year of the term of the contract where the contract runs from January 1, 2018 through December 31, 2020.

### Overview of Guarantee

The objectives are to reduce unnecessary costs and to improve the health status and care coordination of members. Highmark's care management services, through prevention and wellness, decision support, disease and absentee management, utilization management, behavioral health case management, prescription drug management and complex/large case management, will positively influence City of Scranton's claim cost trends.

### Highmark's Commitment

As a commitment to achieving these objectives, Highmark will offer a trend guarantee performance measure. Highmark will place **ten (10) percent of the base medical admin fee** each year at risk for this performance measure. The amount at risk in this proposal represents a base medical admin fee of \$46.34 PCPM for 1/1/18 – 12/31/18. All future year trend guarantee provisions would be similar to those that follow but adjusted to whatever the final base medical fee is for that period.

<b>Basic Performance Measure Qualifications or Contingencies</b>
--

The requirements to participate in the performance measure program are as follows:

- Performance measures will only be offered if Highmark retains at least 575 enrolled contracts. If during the 3 year period, enrollment falls below 575 contracts, performance measures will no longer be valid.
- Highmark retains all the Medical, Customer Service and Clinical Management services (including Utilization Management, Case Management, Behavioral Health, Disease Management & 24/7 Nurseline).
- For purposes of the trend calculation, Rx claims will be excluded in the calculation as the Rx coverage is not through Highmark. However, in order to properly manage members from a clinical standpoint, pharmacy utilization data must be provided monthly from its carrier in the data format and schedule required by Highmark. Also, at least 12 months of historical pharmacy data must be provided in the required format.



- Highmark reserves the right to revisit guarantee provisions and make adjustments for baseline and demographic changes in awarded membership as it may differ significantly from Highmark's existing members.
- We reserve the right to make appropriate changes to this guarantee in any year that enrollment changes by more than 10%, there is a change in the plan of benefits (including benefits for Rx coverage), provider networks, network utilization falls below 90%, a total market segment is acquired or terminated from the plan, the PPO demographics change by more than 5%, or there is a significant change in government laws or regulations affecting claims or the client changes its contribution formula. In such instances, the conditions of the guarantee would be re-evaluated.

<b>Measuring Performance Outcomes</b>
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- Claims will be measured on an incurred claims basis with two months of runout.
- All active Highmark members (employees, spouses, dependent children) of City of Scranton are included in the trend calculation. Identifiable COBRA members, early retirees and retirees and spouses eligible for Medicare are excluded from the calculation.
- The guarantee will measure the annual change in the combined facility and professional claims cost on a PMPM level using total allowances as the basis (incurred claims + member liability) with individual member's claims in excess of \$200,000 being carved out.

**Performance Measure**

**Trend Guarantee Provisions:**

Highmark will place 10% of the base admin fee at risk based on measuring actual allowance level trends of the intervention year over the immediately preceding 12 month period. Penalty payout will be based upon actual trend results as summarized directly below:

<u>Trend Range</u>	<u>PCPM Penalty Payout</u>
6.0% or less	\$0.00 no penalty payment by Highmark
6.1% or higher	\$4.63 payment to City of Scranton

D

**The City of Scranton**  
**APPENDIX 3 TO SOW FOR HEALTH PLAN ADMINISTRATION**  
**PERFORMANCE MEASURES**  
**From January 1, 2018 to December 31, 2020**

Highmark and Sponsor acknowledge and agree that the following performance measures are in effect for the period stated above only, do not apply to any extension of the SOW, and must be submitted and approved by Highmark for renewal. In addition, Highmark reserves the right to revise or void these performance measures at any time there is a five percent (5%) increase or decrease in the enrollment or projected enrollment (total number of lives administered by Highmark under the Plan) from the Effective Date of the SOW. The parties also agree that these performance measures constitute confidential and proprietary information and Sponsor shall not disclose the content, terms, or conditions of such to a third party without the express written permission of Highmark.

Results regarding agreed-upon performance measures are typically reported on a quarterly basis, with final review and settlement performed after the close of each twelve (12) month measurement year.

Highmark and Sponsor agree that ten percent (10%) of the Administrative Fees due and owing to Highmark by Sponsor during each year will be placed at risk. However, if the Sponsor is not current in its payment of Paid Claims or Administrative Fees (i.e., all invoiced amounts have not been paid in full for the annual performance period in question), then Highmark will not be required to pay any amount at risk.

Highmark will determine the results of all quarterly and final annual performance measures. The annual performance results will be either the simple average or a weighted average of the quarterly results in each measurement category. In order to verify Highmark's results, the Sponsor is entitled to receive an explanation of the measurement methodology applied by Highmark, including its use of random sampling. On an annual basis, the Sponsor may perform an independent review of a subset of the random sample that Highmark measured. A Paid Claim that is processed or paid incorrectly initially, but adjusted within the immediate six (6) week period after the payment date, will not be considered an error in the calculation of Claims Accuracy performance measure set forth below. Any discrepancy between Highmark's results and the Sponsor's results on review of the subset will be resolved by the parties on a case by case basis.

## Definitions:

The following definitions shall apply to these Performance Measures:

### CLAIMS:

- **Claim Processing Financial Accuracy:** means a percent of audited Claim dollars paid correctly, based on absolute value of over- and under-payments. Includes finalized, original Claims received via all media (electronic, paper, etc.). Transactions are selected and audited using statistical sampling methods and procedures.
- **Claim Processing Volume Accuracy:** means a percent of audited Paid Claims finalized accurately. Includes finalized, original Claims received via all media (electronic, paper, etc.). Transactions are selected and audited using statistical sampling methods and procedures.
- **Claim Processing Timeliness:** means turnaround is calculated starting with the date the Claim is received through the date the Claim is paid or denied.

### ELIGIBILITY/ID CARDS

- **Eligibility:** means that Highmark processes electronic files containing enrollment updates within four (4) business days for change files to seven (7) days for full files, ninety-eight percent (98%) of the time, provided files received from Sponsor or third party are complete and accurate.
- **Mailing of Identification Cards:** means that, as a condition to extending this performance measure, Highmark will require that all information provided by Sponsor or its designee be accurate prior to the production of ID cards. In such case, the ID Card Accuracy standard will apply to unique Member identifications (UMIs), copays, prescription information, member toll-free numbers, logos, and other agreed-upon content. Highmark mails ID cards to Members within ten (10) business days of processing of eligibility files, ninety-nine percent (99%) of the time.

### MEMBER SERVICE

- **Telephone Abandon Rate:** Percentage of Member calls abandoned prior to a member reaching a Member Service representative. This rate includes calls received by Member Service that were in queue but later terminated by the Member. The Abandon Call Rate is calculated by dividing the total number of abandoned calls by the total number of Member calls that have been received by Member Service. Average is weighted based on call volume.
- **Telephone Block Call Rate:** means the percentage of calls that, after connecting to the Highmark interactive voice response system, were automatically disconnected at established wait time settings. Average is weighted based on call volume.
- **Inquiry Timeliness (Telephone and Email Inquiries)** means a percentage of Member inquiries are finalized within a defined period of time. This measures the efficiency of responses to Member and the timeliness of actions taken. Average is weighted based on call volume.

- **Telephone Wait Time:** means the average time it takes Highmark Member Service to respond to Member call after entering call queue. This does not include time of pre-recorded messages, pre-recorded prompts, abandoned calls, or provider initiated calls. Measure is met when average Member wait time does not exceed defined parameters. Average is weighted based on call volume.

#### **SURVEYS/SCORECARDS:**

- **Client Management:** means the Sponsor evaluates the Highmark client management team's ability to achieve performance objectives. The Sponsor must complete and return all surveys issued by Highmark for the reporting period. Failure of Sponsor to respond to all questions and/or return completed scorecards will result in the highest possible rating applied to any unanswered questions on the scorecard for that reporting period. An average score of three (3.0) or higher for all questions in all surveys indicates measure has been satisfied.

*Details of Performance Measures*

<b>Operational Performance</b>		<b>7% of the fee at risk</b>
<b>Member Satisfaction</b>		
 <b>45 seconds or less average wait</b>	<b>Telephone Wait Time</b>	
	45 seconds or less	No penalty
	Greater than 45 seconds	1% of admin fee at risk
 <b>5% or less abandon rate</b>	<b>Telephone Abandon Rate</b>	
	5.0% or less	No penalty
	Greater than 5.0%	1% of admin fee at risk
 <b>5% or less Block Rate</b>	<b>Telephone Blocked Call Rate</b>	
	5.0% or less	No penalty
	Greater than 5.0%	1% of admin fee at risk
 <b>95% within 7 business days</b>	<b>Inquiry Timeliness</b>	
	95% or greater	No penalty
	Less than 95%	1% of admin fee at risk
<b>Quality Assurance</b>		
 <b>97%</b>	<b>Claim Processing Financial Accuracy</b>	
	97% or greater	No penalty
	Less than 97%	1% of admin fee at risk
 <b>96%</b>	<b>Claim Processing Volume Accuracy</b>	
	96% or greater	No penalty
	Less than 96%	1% of admin fee at risk
 <b>97% in 30 days</b>	<b>Claim Processing Timeliness</b>	
	97% or greater	No penalty
	Less than 97%	1% of admin fee at risk

<b>Eligibility/Identification Cards</b>		<b>1% of admin fee at risk</b>
 <b>98%</b>	<b>Eligibility - Change File (4 business days)</b>	
	<b>Eligibility - Full File (7 business days)</b>	
	<b>98% or greater</b>	<b>No penalty</b>
	<b>Less than 98%</b>	<b>.5% of admin fee at risk</b>
 <b>99% within 10 business days</b>	<b>Mailing of Identification Cards</b>	
	<b>99% or greater</b>	<b>No penalty</b>
	<b>Less than 99%</b>	<b>.5% of admin fee at risk</b>
<b>Client Management</b>		<b>2% of admin fee at risk</b>
 <b>3.0 or better</b>	<b>Client Management</b>	<b>See attached survey</b>
	<b>A 3.0 average score or better is meeting performance measures</b>	
	<b>If written documentation is not provided to Highmark by the Client, no deduction will be made for the Account Management category.</b>	

# Client Management Team Performance Report Card

This report card is to be completed at the end of every calendar year or quarter by Sponsor to measure the effectiveness of the Highmark client management team in meeting the strategic needs of Sponsor. The final results will be determined at the end of each calendar year through a simple average of each quarterly review.

**RATING SCALE:**

**1 = Not Effective 2 = Marginally Effective 3 = Effective 4 = Very Effective 5 = Extremely Effective**

(To select rating, click on drop down box opposite Performance Indicator on each line.)

Performance Indicator	Rating Scale
<b>Client Service</b>	
Responds to and resolves issues and inquiries effectively and efficiently	Select Rating
Contacts or meets regularly with CLIENT to discuss program goals, objectives, and performance	Select Rating
Prepares an annual strategic work plan for CLIENT	Select Rating
Provides an overall effective client management team	Select Rating
Treats you as a valued client	Select Rating
<b>Financial Management</b>	
Has a thorough understanding of health insurance administration and the industry	Select Rating
Provides effective recommendations and solutions for controlling program costs	Select Rating
Prepares and distributes effective program management reports on a timely basis	Select Rating
Proactively shares essential plan utilization and cost information to CLIENT	Select Rating
Demonstrates an understanding of your business objectives and challenges	Select Rating
<b>Communications</b>	
Provides timely, clear and effective communications to CLIENT	Select Rating
Proactively shares relevant Highmark information and initiatives	Select Rating
Proactively communicates plan administration issues to CLIENT benefits staff	Select Rating
Listens to and understands CLIENT needs	Select Rating
Returns calls and responds to e-mails promptly	Select Rating





**4. PROPOSER INFORMATION**

**4.1. PROPOSER**

Submitted by:

[Please type or print]

Name: Highmark Blue Cross Blue Shield

Address: 19 North Main Street, Wilkes Barre, PA 18711

Telephone: (570) 200-6360

Facsimile: 570-200-7784

The undersigned Proposer hereby submits to the City of Scranton this Proposal as described herein and in the attached documents.

**4.2. QUALIFICATIONS STATEMENT**

The Proposer represents and covenants that the Proposer is fully qualified to provide the requested services to the City of Scranton. The undersigned further swears and affirms that the information contained in this response is true, accurate, and complete.

Confirmed.

**4.3. BUSINESS EXPERIENCE**

**4.3.1.** The following describes other points of service by Proposer and the companies for whom the services were provided. Proposer should include a reference contact at the described companies, and this contact should have direct, specific responsibility for the oversight of the program. In particular, the Proposer should describe all experience with projects similar to this project.

**4.3.2.** The Proposer has operated under its current name since 1996, a period of years, and the Proposer (if such be the case) formerly operated under the following name: Highmark Blue Cross Blue Shield

Highmark Blue Cross Blue Shield, the recognized leader in the delivery of health care and group insurance coverage, has the experience and expertise to help the City of Scranton develop and manage the right benefit programs for its employees.

Our predecessor companies, Blue Cross of Western Pennsylvania and Pennsylvania Blue Shield, are among Pennsylvania's first insurers, providing health care benefits for more than 75 years to local, regional and national groups.

## TAB 4\_PROPOSER INFORMATION

Highmark Inc., formed in December 1996 through the consolidation of Blue Cross of Western Pennsylvania and Pennsylvania Blue Shield, is one of the largest insurers in the nation and a national leader in customer service, innovative health promotion programs and quality assurance.

Our mission – to make high-quality health care readily available, easily understandable and affordable– is supported by the subsidiaries and affiliates that make up the roster of Highmark companies. Through these companies, Highmark offers a comprehensive product portfolio that allows it to serve a variety of members.

Highmark Inc. currently offers full-service, physician and hospital health insurance plans in 62 counties across Pennsylvania and throughout West Virginia and Delaware. In addition, since the mid-1990's, the Blue Cross and Blue Shield Association's BlueCard® program is available for members that live or work outside of our service area, and the Highmark Blue Cross Blue Shield ID card is recognized nationally.

**4.3.3. Proposer must attach the resume of the manager which it anticipates will be the contact for the services required by this RFP.**

Please refer to **Tab 6\_Attachments: M\_Eileen Marsico Resume.**

**4.3.4. The Proposer submits herewith the following list of three (3) persons or businesses, which have knowledge of the Proposer's ability to successfully perform the services for which this Proposal is submitted.**

### REFERENCE 1:

**Name:** City of Harrisburg

**Firm:** City Workers

**Title:** Peggy Homcheck, Benefits Administrator Bureau of Human Resources

**Address:** Martin L. King Jr Govnt Center Ste 406 10 N Second Street, Harrisburg, PA 17101

**Telephone:** (717) 255-3101

**Facsimile:** N/A

**Association:** N/A

### REFERENCE 2:

**Name:** City of Pittsburgh

**Firm:** City Works

**Title:** Judy Hill Finegan, Director of Personnel

**Address:** 414 Grant Street, Suite 431 Pittsburgh, Pa 15219

**Telephone:** (412) 255-2717

**Facsimile:** N/A

**Association:** N/A

### REFERENCE 3:

**Name:** County of Washington

**Firm:** County Workers

**Title:** Patricia Maxon, Employee Wellness & Benefits Administrator

**Address:** 600 W. Beau Street, Washington, PA 15301

**Telephone:** (724) 228-6933

**Facsimile:** N/A

**Association:** N/A

**4.3.5.** The Proposer has not had an agreement cancelled or terminated due, in whole or in part, to the fault of the Proposer, or a default or breach of contract on the part of the Proposer. (If a contract or agreement has been cancelled, please explain.)

Once clarification is received, our legal department will review internally.

#### **4.4. FINANCIAL INFORMATION**

**4.4.1.** If the Proposer requests that the City of Scranton receive and maintain any of the following financial information in confidence, the Proposer understands that such information may not be exempt from disclosure under the Home Rule Charter and/ or the Commonwealth Right to Know Act. The Proposer agrees that the City of Scranton may make such disclosure or reproduce such financial information as is deemed necessary or convenient by the City of Scranton, its officers, agents, or employees, for the City of Scranton's use in Proposal evaluation and comparison; provided, however, that if any person makes a request as contemplated by the Home Rule Charter and/or Commonwealth Right to Know Act to review or be provided with copies of such financial information or any part thereof, and the City of Scranton denies such requests, immediately upon notification thereof, the Proposer shall, at its sole cost and expense, defend the City of Scranton and its officers, agents, and employees shall be free to grant such requests, in law or in equity, that it may have against the City of Scranton respecting such disclosure. The Proposer agrees to indemnify and hold harmless the City of Scranton, its officers, agents, and employees from any and all claims, costs, liabilities or damages, including attorney's fees and court costs resulting from the City of Scranton's or Proposer's acts or omissions pursuant to this Paragraph.

Agree. We can accept an indemnification/hold harmless provision, the terms of which can be negotiated as part of the administrative services only (ASO) agreement. The indemnification/hold harmless would not apply to (i) benefits payable under the terms of the Plan, (ii) actions or inactions taken at the direction of the customer, an agency of government or court of law, (iii) duties and responsibilities not set forth in the ASO agreement and (iv) actions or inactions taken by providers; including, but not limited to, malpractice.

4.4.2. The Proposer has ( ) has never ( X ) [check one] had a bond or surety cancelled or forfeited. (If the Proposer has had a bond or surety cancelled, state the name of the bonding company, date, amount of bond, and reason for such cancellation or forfeiture.)

4.4.3. The Proposer has ( ) has never (X) [check one] been adjudged bankrupt (Chapter 7), or petitioned the court for relief under the Bankruptcy Code or Act for either business reorganization (Chapter 11) or the Wage Earner's Plan (Chapter 13). If the response is in the affirmative, provide the following information:

4.4.3.1. Date Petition filed: N/A

4.4.3.2. Docket No: N/A

4.4.3.3. County/Jurisdiction: N/A

4.4.3.4. Amount of Liabilities

And Debts: N/A

4.4.3.5. Date of Discharge or Successful Completion Of Reorganization or Wage Earner's Plan: N/A

4.4.4. Proposer's Bank References

N/A

Name

Address

4.4.4.1. \_\_\_\_\_

\_\_\_\_\_

4.4.4.2. \_\_\_\_\_

\_\_\_\_\_

4.4.4.3. \_\_\_\_\_

\_\_\_\_\_

The undersigned herewith submits a letter from \_\_\_\_\_ indicating that the Proposer has an available working line of credit of no less than \_\_\_\_\_ Dollars (\$ ), or other evidence of Proposer's capital sufficient to permit to meet the obligations contemplated by its Proposal.

4.4.5. The undersigned hereby affirms that the Proposer is authorized to conduct business in the Commonwealth of Pennsylvania, and City of Scranton, or will obtain proper authorization to do so before executing an agreement and furnishing the required bond or letter of credit.

Confirmed.

4.5. GENERAL LITIGATION DISCLOSURE

Proposer must describe any pending, contemplated, or ongoing administrative or judicial proceedings material to Proposer's business, finances, or products, including, but not limited to, any litigation, consent orders, debarment, or contracts with any local, state, or federal regulatory agency issued to proposer or to any patent or subsidiary of Proposer.

None that are material to current RFP and proper business.

4.6. BUSINESS ORGANIZATION STATEMENT

4.6.1. General Information

Name of Firm: Exactly as it would appear on an agreement; if operating under a fictitious name, so indicate.]

Principal Office Address:

Telephone Number:

Form of Business Entity:

[Check one.] ( X ) Corporation  
( ) Partnership ( ) Individual  
( ) Joint Venture

4.6.2. Corporation Statement

If a corporation, answer the following:

Date of Incorporation:

Location of Incorporation:

Is the corporation authorized to do business in Pennsylvania?

Yes

If so, what date?

The Corporation is held:

Publicly/Privatey

Furnish the name, title, and address of each director and officer of the corporation.

DIRECTORS/OFFICERS

**HIGHMARK INC.**

**BOARD OF DIRECTORS**

(January 1, 2017)

DAVID L. HOLMBERG (EX-OFFICIO DIRECTOR; CHAIRMAN OF THE BOARD OF DIRECTORS)

TAB 4\_PROPOSER INFORMATION

President and Chief Executive Officer

Highmark Health

Pittsburgh

JOSEPH C. GUYAUX (LEAD DIRECTOR)

Retired Executive, PNC Bank

Pittsburgh

DAVID A. BLANDINO, M.D.

Family Physician

Clinical Associate Professor of Family Medicine at

University of Pittsburgh School of Medicine

Pittsburgh

RICHARD W. BLOOMINDALE

President

Pennsylvania AFL-CIO

Harrisburg

R. YVONNE CAMPOS

Chief Executive Officer

Campos Inc.

Pittsburgh

THOMAS J. CASTELLANO, M.D.

Gastroenterology

Harveys Lake

LOUIS A CIVITARESE DO, MMI

Family Physician and CMIO

Preferred Primary Care Physicians

Pittsburgh

THOMAS R. DONAHUE

CFO and Treasurer, Federated Investors, Inc., and

CEO, Federated Investors Management Company

Pittsburgh

DON P. FOSTER, ESQUIRE

Principal

Offit Kurman

TAB 4\_PROPOSER INFORMATION

Philadelphia

STEVEN M. HOFFMAN, CPA

Retired, Midatlantic Area Tax Risk Management Partner, KPMG

Harrisburg

CALVIN B. JOHNSON, M.D., M.P.H

President

Altre Strategic Solutions Group, LLC

Penn Valley

GREGORY B. JORDAN, ESQ.

EVP, General Counsel and Chief Administrative Officer

PNC Financial Services Group, Inc.

Pittsburgh

MARK S. KAMLET, PH.D.

University Professor of Economics and Public Policy,

and Provost Emeritus

Carnegie Mellon University

Pittsburgh

GARY F. LAMONT

Principal

The Conyngham Pass Company

Conyngham

DAVID J. MALONE

President and CEO

Gateway Financial

Gibsonia

DAVID M. MATTER

Chief Executive Officer, Retired and Chairman of the Executive Committee

Oxford Development Company

Pittsburgh

GLEN T. MEAKEM

President and CEO

FOREVER

Sewickley

TAB 4\_PROPOSER INFORMATION

JOHN J. MENAPACE

Retired, Vice President & Chief Administrative Officer

C-Tec Corporation

Clarks Summit

JOHN P. MOSES, ESQ.

Cozen O'Connor LLP

Wilkes-Barre

VICTOR A. ROQUE

Retired, President

Duquesne Light Company

Allison Park

RHEA P. SIMMS

Chief Executive Officer

Lewith & Freeman Real Estate, Inc.

Shavertown

SUSAN W. SHOVAL

President

Shoval Enterprises

Kingston

DORIS CARSON WILLIAMS

President and Chief Executive Officer

African American Chamber of Commerce

of Western Pennsylvania

Pittsburgh

*highmarkbdaff2016-2017.doc*

**SHAREHOLDERS**

**Name:**

**Address:**

**Number of Shares Owned:**

We are a Pennsylvania nonprofit corporation and because we hold Certificates of Authority to operate a nonprofit hospital plan and a nonprofit professional health service plan, we are exempt from all taxation by the Commonwealth of Pennsylvania or political subdivisions. For federal taxation purposes, we are taxable in the same manner as if it were a stock insurance company. As a nonprofit company, we do not have any

shareholders. We invest in a variety of subsidiaries, affiliates and joint ventures, most of which are insurance or health care-related businesses.

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**HIGHMARK INC.**

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(January 1, 2017)

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President  
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Harrisburg

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Chief Executive Officer  
Campos Inc.  
Pittsburgh

THOMAS J. CASTELLANO, M.D.

Gastroenterology  
Harveys Lake

LOUIS A CIVITARESE DO, MMI

Family Physician and CMIO

TAB 4\_PROPOSER INFORMATION

Preferred Primary Care Physicians

Pittsburgh

THOMAS R. DONAHUE

CFO and Treasurer, Federated Investors, Inc., and

CEO, Federated Investors Management Company

Pittsburgh

DON P. FOSTER, ESQUIRE

Principal

Offit Kurman

Philadelphia

STEVEN M. HOFFMAN, CPA

Retired, Midatlantic Area Tax Risk Management Partner, KPMG

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Shavertown

SUSAN W. SHOVAL

President

Shoval Enterprises

Kingston

DORIS CARSON WILLIAMS

President and Chief Executive Officer

African American Chamber of Commerce

of Western Pennsylvania

Pittsburgh

**4.6.3. Partnership Statement**

We are a wholly owned company. See above.

If a partnership, answer the following:

**Date of Organization:**

**General Partnership/Limited Partnership**

**Partnership Agreement recorded?**

**Yes/ No**

**Date:**

**Book:**

**Page:**

**County:**

**State:**

**Has the partnership done business in Pennsylvania?**

**Yes/No**

**When?**

**Name, address, and ownership share of each general partner owning more than five percent (5%) of the partnership:**

**Name:**

**Address:**

**Percent of Ownership:**

**4.6.4. Joint Venture Statement**

We are a wholly-owned company. See above.

If a joint venture, answer the following:

**Date of Organization:**

**Joint Venture Agreement recorded?**

**Yes/No**

**Date:**

**Book:**

**Page:**

**County:**

**State:**

Has the joint venture done business in Pennsylvania?

Yes/No

When?

Name, address, and ownership share of each joint venture:

Name:

Address:

Percent of Ownership:

**4.7. WARRANTIES BY PROPOSER**

**4.7.1. The Proposer's Proposal has been completed to the best of the Proposer's ability, and the Proposer swears that all information contained herein is true, correct, and complete to the best the Proposer's knowledge, information, and belief.**

Agree.

**4.7.2. By submission of this Proposal, the Proposer acknowledges that the City of Scranton has the right to make any inquiry or investigation it deems appropriate to substantiate or supplement information contained in the Proposal, and Proposer authorizes the release to the City of Scranton of any and all information sought in such inquiry or investigation.**

Agree.

**4.7.3. The Proposer declares by the submission of this Proposal that the Proposal is not de e interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that eh Proposal is genuine and not collusive or sham; that the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a false or sham Proposal, and has not directly or indirectly colluded or agreed with any Proposer or anyone else to put in a sham Proposal or to refrain from proposing; that the Proposer has not directly or indirectly sought by agreement or communication to secure any advantage against the City of Scranton; anyone interested in the Proposal as principal are named within the Proposal; that all statements contained in the Proposal are true; that the Proposer has not directly or indirectly divulged information or data relative to the Proposer's Proposal to any other person, partnership, corporation, or association, except to such person or persons as have a direct :financial interest in the Proposer's general business.**

**The foregoing Proposal is hereby submitted by the entity signing below in accordance with all terms and conditions as set forth in the Request for Proposals issued by the City of Scranton.**

Agree.

TAB 4\_PROPOSER INFORMATION

PROPOSER:

Date: October 31, 2017

[Corporate Seal if applicable.]

Name of Proposer:

By: 

{Signature}

Tony Benevento

[Name]

SVP Regional Sales

[Title]



## **5. PROPOSAL EVALUATION, NEGOTIATION, AND CONTRACT AWARD**

### **5.1. DISQUALIFICATION OF PROPOSERS**

**5.1.1. If more than one Proposal is received from any individual, firm, partnership, corporation, or association, under the same or different names, said Proposals will not be considered. Reasonable grounds for believing that any Proposer has an interest in more than one Proposal will cause the rejection of all Proposals in which such Proposer is interested. If there is reason to believe that collusion exists among Proposers, none of the participants in such collusion will be considered. Similarly, unsolicited proposals may not be considered.**

Confirmed.

**5.1.2. No Proposal shall be received from, or contract awarded to, any City of Scranton employee or official who may have any direct or indirect interest in such submitted Proposal or contract**

Confirmed.

### **5.2. QUALIFICATION OF PROPOSERS**

**5.2.1. The City of Scranton will carefully consider the Proposer's qualifications, proposed financial consideration, experience, financial responsibility, proposed scope of services, and timeline in evaluating each Proposal. In the City of Scranton's evaluation, the Proposal as a whole may bear more weight than the individual parts of the Proposal.**

Confirmed.

**5.2.2. Following a review of the submitted proposals, the City of Scranton may select one or more Proposers with which to negotiate. The City of Scranton shall notify Proposer(s) of selection for negotiation.**

Confirmed.

**5.2.3. Respondents to this RFP are subject to the New Jersey Ethics Act (65 Pa. C.S.A. §401, et seq.). All respondents are required to disclose any potential conflict caused by the City of Scranton or City employees having a financial interest in the entity entering into a contract or agreement with the City of Scranton.**

Confirmed.

### **5.3. GENERAL RESERVATION OF RIGHTS**

**5.3.1. This RFP and the process it describes are proprietary to the City of Scranton and are for the sole and exclusive benefit of the City of Scranton. No other party, including any respondent to this RFP or future Proposer to any RFP which may be issued by the City of Scranton, is intended to be granted any rights hereunder. Any response to this RFP, including written documents and verbal communication, may be subject to public disclosure by the City of Scranton, or any authorized agent of the City of Scranton and any materials submitted or ideas**

TAB 5\_QUALIFICATION AND EXPERIENCE

elicited in response to this RFP shall be the sole and absolute property of the City of Scranton with the City of Scranton having title thereto and unrestricted use thereof.

Agree.

**5.3.2.** The City of Scranton reserves the right to reject as informal or non-responsive any Proposal that, in the City of Scranton's sole judgment, is incomplete, is not in conformity with applicable law, is not responsive to this RFP, or contains ambiguities or services not called for by this RFP.

Agree.

**5.3.3.** Without limiting the generality of any other provision of this RFP, the City of Scranton reserves the right, at any time prior to execution of an agreement with the successful Proposer, to exercise all or any of the following rights and options, which rights and options the City of Scranton may exercise to the extent that the City of Scranton, in its sole discretion, deems to be in its best interests:

Agree.

**5.3.3.1.** To request additional or supplemental information (including, but not limited to, information inadvertently omitted by any Proposer in response to this RFP) from any or all Proposers;

Agree.

**5.3.3.2.** To accept or reject, at any time prior to its execution of an agreement, any or all Proposals or any part thereof submitted in connection with this RFP;

Agree.

**5.3.3.3.** To accept or reject any or all of the items in any Proposal and award the contract in whole or in part if it is deemed in the City of Scranton's best interest to do so;

Agree.

**5.3.3.4.** To waive any informality, defect, non-responsiveness, or derivation from this RFP that is not, in the City of Scranton's sole judgment, material to the Proposal;

Agree.

**5.3.3.5.** To negotiate unacceptable provisions incorporated within an otherwise acceptable Proposal submitted in response to this RFP;

Agree.

**5.3.3.6.** To reject without evaluation any Proposal that is incomplete, unclear, conditional, or which contains irregularities of any kind;

Agree.

**5.3.3.7.** To reject any Proposal that in the sole discretion of the City of Scranton is not in the best interest of the City of Scranton;

Agree.

**5.3.3.8. To re-issue this RFP without change or modification;**

Agree.

**5.3.3.9. To issue a subsequent RFP for this project with terms and conditions that are substantially different from the terms and conditions set forth in this RFP;**

Agree.

**5.3.3.10. To cancel this RFP with or without issuing another RFP;**

Agree.

**5.3.3.11. To supplement, amend, substitute, or otherwise modify this RFP at any time prior to execution of a final agreement with a Proposer;**

Agree.

**5.3.3.12 To reject the Proposal of a Proposer that, in the City of Scranton's sole judgement, has been delinquent or unfaithful in the performance of any contract with the City of Scranton, or is financially or technically incapable of performing the services required in this RFP, or is otherwise not a responsible Proposer;**

Agree.

**5.3.3.13 To reject, at the City of Scranton's sole discretion, amendments (including information inadvertently omitted), modifications, alterations and/or corrections of Proposals by some or all of the Proposers following Proposal submission;**

Agree.

**5.3.3.14 To request that some or all of the Proposers modify Proposals or provide additional information following evaluation by the City of Scranton;**

Agree.

**5.3.3.15 To conduct such investigations as the City of Scranton considers appropriate with respect to the qualifications of any Proposer and/or any information contained in any Proposal;**

Agree.

**5.3.3.16 To request clarifications of any unclear Proposal;**

Agree.

**5.3.3.17 To negotiate simultaneously, or otherwise, with one or more Proposers;**

Agree.

**5.3.3.18 To discontinue and resume negotiations with one or more Proposers;**

Agree.

**5.3.3.19 To rescind its rejection of any Proposal(s) and negotiate (or resume with Negotiations) with previously rejected Proposer;**

Agree.

**5.3.3.20 To not proceed with the process described in this RFP, or to change any time schedules set forth herein;**

Agree.

**5.3.3.21 To not enter into an argument pursuant to this RFP.**

Agree.

**5.3.4 The City of Scranton intends to enter into a contract negotiations with the selected Proposer. However, the City of Scranton reserves the right to terminate any negotiations at any time or conduct simultaneous, competitive negotiations with multiple Proposers. The City of Scranton reserves the right to negotiate acceptable terms an otherwise unacceptable Proposal Such negotiations may result in changes to material terms of this RFP; in such event, the City of Scranton shall not be obligated to inform other Proposers of the changes, or permit them to revise their Proposals accordingly, unless the City of Scranton, in its sole discretion, determines that doing so and permitting such is in the City of Scranton's best interest Should negotiations not prove satisfactory with the recommended Proposer(s), the City of Scranton reserves the right to discontinue negotiations with the recommended Proposer(s) and additional firms may be asked to enter into negotiations or the City of Scranton may solicit new Proposals or issue a new Request for Proposals.**

Agree.

#### **5.4 AWARD**

**5.4.1 The City of Scranton intends to award the agreement to the Proposer whose Proposal best satisfies the scope of the services described in Section 2 and is otherwise in the best interest of the City of Scranton. The determination of award shall be made by the City of Scranton, in its sole discretion, which decision shall be final. The City of Scranton may employ such analysis techniques and professional consultants for Proposal evaluation as it deems necessary. The City of Scranton may request submission of additional information to assist it in evaluating a Proposal, and the Proposer shall cooperate fully with such request. The contract resulting from this RFP awarded to the qualified Proposer whose Proposal the City of Scranton believes will be the most advantageous to the City of Scranton. The City of Scranton may condition an award on the successful Proposer's agreement to such terms and conditions as required by the City of Scranton including, but not limited to, the City of Scranton's indemnification.**

Confirmed.

## EXHIBIT 1. HEALTHCARE ADMINISTRATIVE SERVICE EXPECTATIONS AND PERFORMANCE GUARANTEE

The City expects your benefit or insurance plan to provide premium service in administering benefits to our employees. To help accomplish that goal we expect the plan to guarantee that the following administrative functions will be performed in a consistent and timely manner.

- **Generally, new enrollments, changes and cancellations will be processed the next business day following receipt. Situations may arise where enrollment changes will need to be made immediately.**

Confirmed.

- **99% of ID cards for ongoing enrollment will be accurate and mailed to the appropriate plan participants within 15 days of notification.**

Please refer to Tab 3\_Proposed Pricing section: C\_City of Scranton Performance Measures.

- **Claims reports, upon request, must be able to breakout City Management and Union benefits; show utilization by age/sex, employee/ dependent status, and type of service; show enrollment info for specific time periods; and show benefit category by claim amount. Reports must comply with HIPAA regulations and cannot disclose Protected Health Information of employees unless exclusively requested by the Co.**

Confirmed.

- **You must be able to support several group numbers and various types of benefits for both active and retired employees at no additional charge. The City has different group numbers for different groups of employees for budgeting purposes.**

Confirmed.

- **You must be able to produce a customized handbook, customized ID cards, electronic enrollment and delivery of handbooks no later than the date of plan implementation upon request.**

Highmark will provide benefit booklets no later than 90 days post effective date in a pdf format to the Scranton School District. ID cards will be mailed prior to the effective date.

- **You must provide dedicated customer service representatives with a dedicated toll free telephone number to answer questions for both employees and the Human Resources Department of the City.**

Highmark provides employer administrative support by providing a dedicated group Benefit Administrators Line, as well as a dedicated Client Management Team. Customer Service for members is provided Monday through Friday, 8:00 am – 5:00 pm. Members also have the ability to communicate with our Customer Service team via the member portal located at [www.Highmarkbcbs.com](http://www.Highmarkbcbs.com).

TAB 5\_QUALIFICATION AND EXPERIENCE

- **City contracts must be in accordance with requirements of the Attorney General of the state of Pennsylvania and the City. Contracts should be signed by both parties prior to the effective date of the contract.**

Confirmed.

## AFFIRMATIVE ACTION CERTIFICATION

During the term of this contract, Bidder agrees as follows:

1. Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.

Agree.

2. Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will received consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.,

Agree.

3. Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.

Agree.

4. It shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it, such a factor shall be considered in mitigation in determining appropriate sanctions.

Agree.

5. Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so bidder will be unable to meet its obligations under this affirmative action certification, bidder shall then employ and fill vacancies through other affirmative action employment procedures.

Agree.

6. Bidder shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of bidder's noncompliance with affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.

Agree.

7. Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.

Agree.

8. Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.

Agree.

9. Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.

Agree.

10. Bidder's obligations under this clause are limited to bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

Agree.

Any and all agreements will remain the same as previously agreed upon between Scranton and Highmark.

Date: 9/9/16

Name of Bidder: Highmark Blue Cross Blue Shield

By: Tony Benevento

Title: SVP Regional Markets

## **CERTIFICATE OF NON-SEGREGATED FACILITIES**

The bidder certifies that he does not maintain or provide for his employees and segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term "segregated Facilities," means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub-contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certification in his files.

**NOTE;** The penalty for making false statements in offers is prescribed in 18 U.S.C. §1001.

Any and all agreements will remain the same as previously agreed upon between Scranton and Highmark.

**Date:** 9/9/16

**By:** Tony Benevento

**Title:** SVP Regional Markets

## NON-COLLUSION AFFIDAVIT OF PRIME BIDDER

State of: Pennsylvania

County of:

Tony Benevento, being first duly sworn, deposes and says that:

1. He is (Owner, partner, officer) of Highmark , the Bidder that has submitted the bid;
2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, Representatives, employees or parties :in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, or to Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of Scranton (Local Public Agency) or any person interested in the proposed Contract; and;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees or parties in interest, including this affiant.

# NON-COLLUSION AFFIDAVIT SIGNATURE PAGE



Signed:

Title: SVP Regional Markets

Subscribed and sworn to before me

This 31 Day of October, 2017

—

Title: SVP Regional Markets

My commission expires: (date)



A



City of Scranton

PPO Discount Guarantee
January 1, 2018 through December 31, 2020

Highmark and the City of Scranton acknowledge and agree that the following PPO Discount Guarantee is in effect for the period stated above only. A total of \$10,000 dollars will be placed in a Gain/Risk Share arrangement between Highmark and the City of Scranton for each year of the indicated contract period.

In applying this Guarantee, a "discount percentage" will be calculated at the end of each calendar year. The Discount Guarantee will be based on the annual PPO aggregated results including at least two (2) month runout period using incurred claims. Eligible claims include only those claims for covered active employees and pre 65 retirees.

The discount percentage is defined as the difference between the covered billed charges (excluding ineligible and not-covered charges) submitted by a network provider and reimbursed as network claims, and the payment amount (based on contractual savings with network providers) allowed by Highmark. The discount percentage will be determined by dividing the contractual savings into the covered charges. The results of the discount percentage calculation will determine if Highmark has met the target.

PPO Discount Guarantee:

Table with 2 columns: Annual Aggregated Result, % of ASO Fee at Risk. Rows include: 65.0% or Greater (Gain Share + \$10,000), 58.0% but less than 65.0% (Guaranteed Discount - No Penalty), Less than 58.0% (Risk Share - \$10,000).

The PPO discount guarantee percentage has been determined based on the current total enrollment enrolled in a medical health plan with Highmark.

Highmark reserves the right to void this Discount Guarantee or revise the targeted discount percentages should there be an increase or decrease of more than ten percent (10%) in unique employee population (by BC/BS Plan Area 1) or distribution of medical claims (by service category 2) in any of the defined markets used in the development of the Overall Discount.

A signed Administrative Services Agreement must be in place on the effective date in order for the guarantee to apply.

Termination prior to the end of the contract period or placing the business out to bid prior to the end of the contract nullifies this guarantee.

- 1. Enrollment census base data is based upon the existing enrolled population (source ICIS; Unique PPO contracts/members as of 09/2016), the average of the discount measurement period will be compared to the base data.
2. Medical claims service category results are based on the distribution of claims by service category of the previous calendar year (base data) and are compared against the average of the discount measurement period.

This Material is CONFIDENTIAL and cannot be disclosed without the expressed permission of the Highmark Review & Oversight Committee.

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# Highmark Blue Cross Blue Shield Regional Markets

## Services included in Administrative Fees



### Administrative Services

**Account Management Team** - Client Manager, Implementation Service Manager, Client Service Manager, Client Relationship Consultant, Supervisor of Operations

### Network

- Network Access/ National reciprocity through BlueCard®
- BlueCard Worldwide® – global network in over 200 countries
- Easy-to-use online directory for the most current network information, including access to Blue Distinction® Centers for Bariatric Surgery, Cardiac Care, Complex and Rare Cancers, Knee & Hip Replacement, Spine Surgery and Transplants

### Communications

- Standard ID or custom ID card (one per member)
- Electronic benefit booklet (Also available for members online) includes member postcard
- Standard electronic open enrollment / communication materials

### Customer Service/Claims

- Toll-free customer service line
- Toll-free group administrator customer service line
- Toll-free line for open enrollment
- Translator assistance
- Integrated Voice Response
- Foreign claim translation and processing
- Internal appeals according to DOL claims rule

### Administrative Services

- Annual renewal package, administrative fee determination & claims projections
- External Audit - 1,000+ contracts are permitted to audit 200 claims per product and clients with fewer than 1,000 contracts are permitted to audit 100 claims per product. We apply a surcharge of \$50/claim for additional claims.

### Reporting

- 5500 Reporting – provide data for client to file form 5500

#### Reports@Hand Standard Reporting

- Standard Medical/Rx Utilization Reporting - Details medical claims dollars spent (hospitals, providers, types of diagnoses, savings, shock reports, etc.).
- Standard Health Management Reporting – Includes clinical performance, interventions/activities, biometric screening reports, Risk analysis, Productivity and Preventive Health Management Reports

### Stop Loss Reports

- Standard Report for using HM Insurance Group<sup>1</sup>

### Web/Digital Services

- Member Self Service Portal and Mobile Web - evaluate health cost and quality-of-care data, find providers, track claims/spending, manage health spending accounts, wellness/decision support services, access to ID card
- Employer Self Service Portal – view/manage enrollment, access benefits, view claims, access reports, pay bills

Blue Shield, the Shield symbol, BlueCard, BlueCard Worldwide, Blue Distinction, Blue Distinction Centers, Blue Distinction Centers for Bariatric Surgery, Blue Distinction Centers for Cardiac Care, Blue Distinction Centers for Complex and Rare Cancers, Blue Distinction Centers for Transplants, Blue Distinction Centers for Knee and Hip Replacement, Blue Distinction Centers for Spine Surgery are registered service marks of the Blue Cross and Blue Shield Association.

<sup>1</sup> HM Insurance Group is an independent entity that does not provide Blue Cross and/or Blue Shield products or services. They are solely responsible for the products and services they provide.

## **Administrative Services (Continued)**

### **Wellness Services**

**Online (Highmark Medical Member only)**

- Wellness Profile (Health Risk and Productivity Assessment)
- WebMD® Apps- Daily Victory and Weigh Today
- WebMD® Fitbit Device Tracking Integration
- WebMD® Personal Health Record
- WebMD® Digital Health Assistant Programs (physical activity, nutrition, weight management, stress)
- WebMD® Health Trackers (blood pressure, blood glucose, cholesterol and more)
- WebMD® Symptom Checker
- WebMD® Videos (over 3,000 videos on diseases, conditions and wellness topics)
- WebMD® Recipes (over 600 healthy living and lifestyle recipes)
- WebMD® Health Information Content (over 200 health topics)
- WebMD® Health Topics (topics include alcohol and substance abuse, nutrition, emotional health management and more)

**Tobacco (Highmark Medical Member only)**

- Telephonic and self-study tobacco cessation delivered by Highmark wellness coaches. Nicotine replacement therapy resources may be available, dependent on benefits.

**Telephonic Coaching (no reporting available for Reward/Incentive purposes)**

- Inbound Telephonic Coaching regarding health care, weight, nutrition, exercise or stress management

**Reward/Incentive Tracking**

- Standard Reward Program

**Client Directed Campaigns and Reference Sources**

Toolkits and Newsletter Campaigns:

- Color Your Plate
- Drop 10 in 10
- Eat Well for Life
- Health and Wellness Fair
- Maintain Don't Gain
- Maintain Your Mind
- Prevention 101
- Strides for Health
- 'Tis the Season to Lighten Up
- Yes I Can! Quit

### **Pharmacy Management**

- The National Network is a broad network of 58,000 participating pharmacies nationwide
- The National Plus Network is the broadest network of 69,000 pharmacies nationwide
- The Advantage Network is a limited network of pharmacies nationwide
- Aggressive and competitive AWP pricing discounts
- Lower dispensing fees for retail and no dispensing fee for mail order prescriptions
- All-inclusive administrative fee that encompasses customer service, written member communications, clinical and physician programs

WebMD Health Services is a registered trademark of WebMD, LLC., an independent and separate company that supports Highmark online wellness services. WebMD Health Services is solely responsible for its programs and services, which are not a substitute for professional medical advice, diagnosis or treatment. WebMD Health Services does not endorse any specific product, service or treatment.

## Communication Services

### Communication Materials

- Pre-printed marketing materials, including 2 day shipping
- Printing standard open enrollment materials, including 2 day shipping/mailing

### Open Enrollment Meetings

- Minimum participation may be required for groups with fewer than 100 employees/location.
- Does not include air travel.

## Health Management Services

**Standard Health Management Model** - uses data from our entire member population to identify and reach out to a client's highest risk and highest cost members. This model attempts to target 5-8 percent of members and engage a minimum of 1-6 percent of the employer's total population.

- Utilization Management - Pre-certification, Pre-determination, Concurrent Review, Discharge Planning & Retrospective Review
- Case Management - Short-term Outreach, Intensive & Specialized Case Management
- Behavioral Health - All mental health and substance abuse services using a fully integrated care management model which includes Utilization Management, Outreach and Intensive Case Management and a Depression Management Program
- 24/7 Nurse Line/Decision Support/Condition Management<sup>4</sup>.
  - Primary nurse model for continuity of care – single point of contact for chronic health conditions, intensive case management or lifestyle coaching
  - Personal support and access to extensive educational resources
  - Decision support on treatment options
  - Individualized support for those with chronic conditions

**Baby BluePrints® Maternity Education and Support Program** – This program encourages members to take a more proactive role in their health by providing clear, in-depth educational information and ongoing personalized support throughout the pregnancy and after the delivery.

### **Radiology – National Imaging Associates<sup>SM</sup> (NIA)**

- Standard Program (Provider-Driven) for managed care products only

**Radiation Oncology Authorization Program - eviCore National, LLC<sup>2</sup>** - Helps ensure that the radiation therapy services provided to our members are consistent with nationally recognized clinical guidelines. This will help enhance quality and patient safety for our members who require radiation therapy services.

**Physical Medicine Authorization Program - Healthways WholeHealth Networks, Inc.<sup>3</sup>** – A utilization management program for outpatient spinal manipulation, physical therapy and occupational therapy that will help to ensure the medical necessity of the services being provided. This will help manage escalating costs and ensure members receive appropriate services in the proper setting.

Baby BluePrints is a registered mark of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans.

National Imaging Associates (NIA) is a service mark of Magellan Health Services, Inc. NIA is an independent entity that administers the Radiology Management Program.

myCare Navigator is a service mark of Highmark Inc.

<sup>2</sup>eviCore National, LLC is an independent entity that administers the oncology program.

<sup>3</sup>Healthways WholeHealth Network, Inc. is an independent entity that administers the physical medicine authorization program.

<sup>4</sup>May not be available for all products.

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C

# SAMPLE CLIENT UTILIZATION, COST & RISK ANALYSIS

For a limited period of time, procedures for all the major areas of sample client utilization, cost, and risk analysis are described. The procedures are described in the context of a sample client utilization, cost, and risk analysis.

## OVERVIEW

This presentation is a two year analysis of utilization and cost for TRAINING DOCUMENT. The analysis is based on claims incurred from December 2012 through November 2014 and paid through January 2015. The years are referenced as 2013 and 2014.

The data are presented by inpatient and outpatient settings. Professional claims are included with the applicable facility cost to show a comprehensive cost per diagnosis and procedure. Most metrics are compared to National book of business norm.

Major Diagnostic Categories (MDC's) are based on ICD-9 codes. The Health Status MDC has been modified to move certain V diagnosis codes that are usually grouped into the Health Status into the applicable MDC.

High cost members are defined as members who incur \$50,000 or more in claims. The data in the presentation is for medical claims only. No drug claims are included.

# ENROLLMENT AND DEMOGRAPHICS

# ENROLLMENT AND DEMOGRAPHICS

## OVERVIEW

The following slides show changes in enrollment and demographics for the population and segments that are subject to this analysis.

Enrollment is presented by age categories and relationship, relationship and gender and by enrollment tier.

# ENROLLMENT BY AGE AND RELATIONSHIP

AGE RANGE	AVERAGE AGE	2014		2015	
		MEMBERS	% TOTAL	MEMBERS	% TOTAL
<b>EMPLOYEE</b>	<b>42.3</b>	<b>7,994</b>	<b>100.0%</b>	<b>8,495</b>	<b>100.0%</b>
<25		398	5.0%	396	4.7%
25-29		814	10.2%	881	10.4%
30-34		1,067	13.3%	1,151	13.5%
35-39		941	11.8%	1,019	12.0%
40-44		1,050	13.1%	1,071	12.6%
45-49		1,017	12.7%	1,062	12.5%
50-54		1,009	12.6%	1,047	12.3%
55-59		865	10.8%	970	11.4%
60-64		635	7.9%	666	7.8%
65-79		198	2.5%	230	2.7%
80>		1	0.0%	1	0.0%
<b>SPOUSE</b>	<b>42.7</b>	<b>3,753</b>	<b>100.0%</b>	<b>3,828</b>	<b>100.0%</b>
<25		119	3.2%	120	3.1%
25-29		397	10.6%	405	10.6%
30-34		482	12.8%	496	12.9%
35-39		475	12.7%	482	12.6%
40-44		515	13.7%	499	13.0%
45-49		501	13.4%	508	13.1%
50-54		481	12.8%	479	12.5%
55-59		412	11.0%	459	12.0%
60-64		277	7.4%	279	7.3%
65-79		94	2.5%	106	2.8%
80>		0	0.0%	0	0.0%
<b>DEPENDENT</b>	<b>12.0</b>	<b>6,108</b>	<b>100.0%</b>	<b>6,562</b>	<b>100.0%</b>
1-4		961	15.7%	1,029	15.7%
5-9		1,253	20.5%	1,344	20.5%
10-14		1,376	22.5%	1,410	21.5%
15-19		1,438	23.5%	1,522	23.2%
20-24		958	15.7%	1,084	16.5%
25>		122	2.0%	172	2.6%
<b>TOTAL</b>	<b>32.0</b>	<b>17,855</b>	<b>100.0%</b>	<b>18,885</b>	<b>100.0%</b>

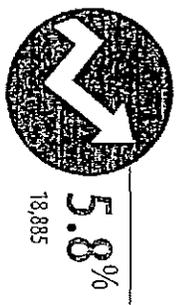
## AVERAGE AGE

2014 2015 NORM



## TOTAL PLAN MEMBERS

2013 to 2014



Enrollment increased. Enrollment increased for employees and dependents while spouses remained stable. The member to employee ratio is 2.22 which is less than the norm of 2.31.

# ENROLLMENT BY RELATIONSHIP AND GENDER

The average age for the client is 32.0 which is younger than the norm of 33.2. A younger population is often associated with lower costs. The percent of males is 58.7% of membership, compared to the norm of 50.1%

RELATIONSHIP	2014 MEMBERS		2015 MEMBERS	
	Count	%	Count	%
EMPLOYEE	MALE	7,212 (90%)	7,655 (90%)	
	FEMALE	782 (10%)	840 (10%)	
SPOUSE	MALE	161 (4%)	161 (4%)	
	FEMALE	3,593 (96%)	3,667 (96%)	
DEPENDENT	MALE	3,058 (50%)	3,274 (50%)	
	FEMALE	3,050 (50%)	3,288 (50%)	
<b>TOTAL</b>		<b>17,855</b>		<b>18,885</b>

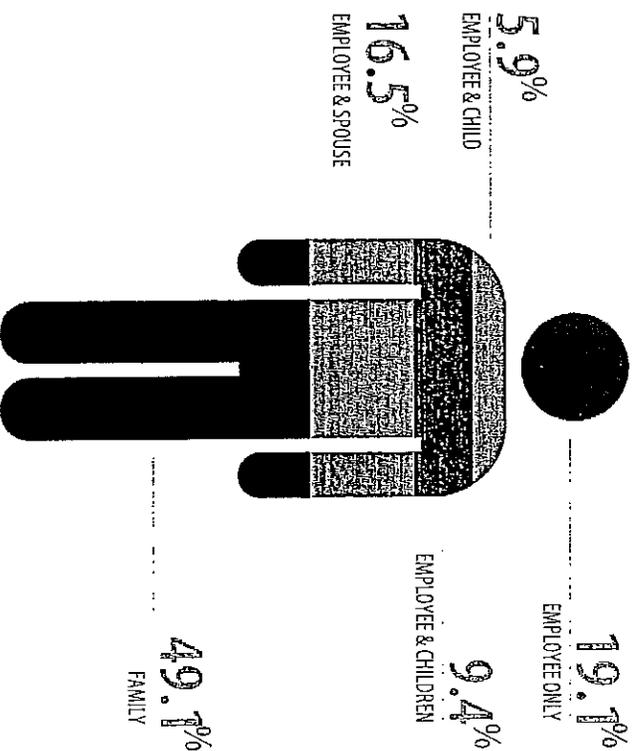
	NORM			
	EMPLOYEE	SPOUSE	DEPENDENT	
	44.0	46.0	13.0	
				
				

# ENROLLMENT BY TIER

Enrollment increased by 5.8% and the ratio of members to employees decreased from 2.23 to 2.22 which was lower than the norm of 2.31. Enrollment was driven by changes in enrollment in Employee Only, Employee and Child, Employee and Family and Children and Family tiers.

ENROLLMENT TIER	2014		2015	
	MEMBERS	CONTRACTS	MEMBERS	CONTRACTS
Employee Only	3,311	3,311	3,611	3,611
Employee and Child	974	487	1,122	561
Employee and Children	1,593	462	1,779	517
Employee and Spouse	3,175	1,587	3,107	1,553
Family	8,802	2,156	9,267	2,264
<b>TOTAL</b>	<b>17,855</b>	<b>8,003</b>	<b>18,885</b>	<b>8,506</b>

## PERCENT ENROLLMENT BY TIER



# FINANCIAL OVERVIEW



# FINANCIAL OVERVIEW



## OVERVIEW

The following slides show changes in overall finances for this analysis. The financial statistics are presented for the total population, by age and relationship, and by enrollment tier.



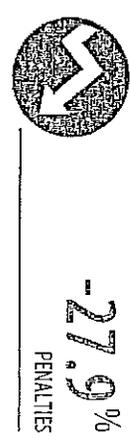
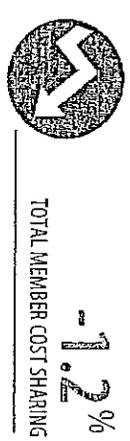
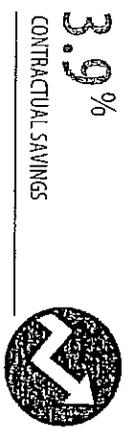
# FINANCIAL OVERVIEW PAYMENTS BY PAYOR

Total company payments PMPY decreased -2.5% to \$2,776 PMPY which is less than the norm of \$3,247 PMPY. Total member cost sharing PMPY decreased -1.2% and was 17.7% of allowed charges which is greater than the norm of 14.7%. Contractual savings was 57.8% of eligible charges. The percent of high cost claimants accounted for 37.4% of total payment or \$1,038 PMPY.

	2014	2015	CHANGE
Submitted Charge	\$170,919,100	\$185,410,400	2.6%
Ineligible Amount	\$27,403,680	\$31,656,640	9.2%
Eligible Charges	\$143,515,400	\$153,753,800	1.9%
Contractual Savings	\$80,860,040	\$88,890,290	3.9%
Allowed Charges	\$62,655,410	\$64,865,490	2.1%
Deductible	\$3,305,287	\$4,689,656	41.1%
Copayments	\$2,973,376	\$2,924,119	-7.0%
Coinsurance	\$4,680,435	\$3,843,402	-22.4%
Penalties	\$19,000	\$14,491	-27.8%
HRA Reimbursement	\$0	\$0	0.0%
Total Member Cost Sharing	\$10,978,100	\$11,471,670	1.2%
Coordination of Benefits	\$474,593	\$422,866	-11.5%
Subrogation	\$0	\$0	0.0%
Medicare Savings	\$424,509	\$600,391	31.7%
Total Other Party Liability	\$899,102	\$1,023,257	14.8%
Access Fees	\$0	\$0	0.0%
HRA Reimbursement	\$0	\$0	0.0%
Paid Claims	\$50,808,560	\$52,419,750	1.5%
Total Company Payments	\$50,808,560	\$52,419,750	2.5%

2014 to 2013 Comparison

## NOTABLE

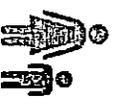
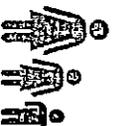


# FINANCIAL OVERVIEW PAYMENTS BY TIER

ENROLLMENT TIER	2014			2015			% CHANGE
	TOTAL	PCPM	CONTRACTS	TOTAL	PCPM	CONTRACTS	
Employee Only	\$6,237,793	\$157.00	3,311	\$6,310,392	\$145.63	3,911	-7.2%
Employee and Child	\$1,223,646	\$209.39	487	\$1,319,746	\$196.04	561	-6.4%
Employee and Children	\$1,499,977	\$270.56	462	\$1,684,057	\$271.45	517	0.3%
Employee and Spouse	\$9,314,281	\$489.09	1,587	\$9,270,206	\$497.44	1,553	1.7%
Family	\$13,750,980	\$531.50	2,156	\$14,233,660	\$523.91	2,264	-1.4%
<b>TOTAL</b>	<b>\$32,026,670</b>	<b>\$333.49</b>	<b>8,003</b>	<b>\$32,818,060</b>	<b>\$321.52</b>	<b>8,506</b>	<b>-3.6%</b>

Claims for high cost members have been removed from this analysis.

## PCPM COSTS

 \$183.73 EMPLOYEE ONLY	 \$559.19 EMPLOYEE AND SPOUSE
 \$309.11 EMPLOYEE AND CHILD	 \$408.50 EMPLOYEE AND CHILDREN

 \$636.22 FAMILY
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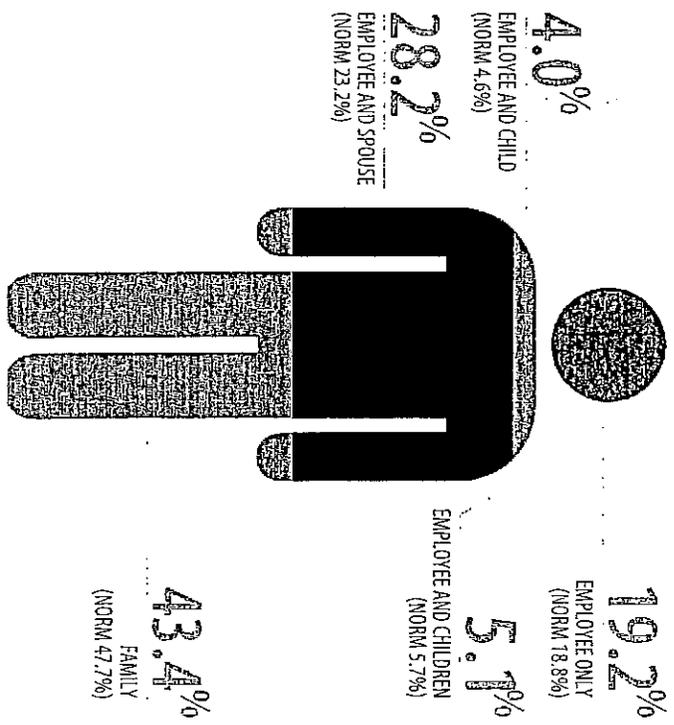
# FINANCIAL OVERVIEW PAYMENTS BY RELATIONSHIP

The cost was less than the norm for all relationship types. On average, spouses cost \$150 more than Employees. Cost savings can be achieved by implementing a spousal surcharge. Spouses represent 20.3% of the members in the population and 34.4% of the total payments. Spouse costs increased 1.6% PMPM.

	2014		2015		% CHANGE
	TOTAL	PMPM	TOTAL	PMPM	
Employee	\$24,170,360	\$251.97	\$24,662,030	\$241.92	4.0%
Spouse	\$17,378,110	\$385.83	\$18,011,890	\$392.08	1.6%
Dependent	\$9,260,086	\$126.34	\$9,745,828	\$123.77	-2.0%
<b>TOTAL</b>	<b>\$50,808,556</b>	<b>\$237.13</b>	<b>\$52,419,748</b>	<b>\$231.31</b>	<b>-2.5%</b>

2014 to 2015  
Comparison

## PERCENT OF PAYMENT AND NORM

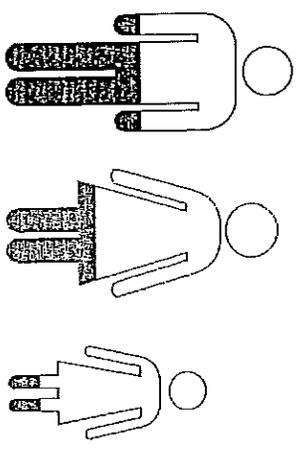


# FINANCIAL OVERVIEW PAYMENTS BY AGE & RELATIONSHIP

EMPLOYEE	2014		2015		% CHANGE
	TOTAL	PMPM	TOTAL	PMPM	
<25	\$24,170,360	\$251.97	\$24,662,030	\$241.92	-4.0%
25-29	\$351,800	\$73.75	\$400,783	\$84.38	14.4%
30-34	\$1,031,497	\$105.56	\$869,357	\$82.21	-21.1%
35-39	\$1,519,260	\$118.69	\$1,721,337	\$124.64	5.0%
40-44	\$1,682,863	\$149.04	\$1,811,627	\$148.19	-0.6%
45-49	\$1,704,617	\$135.31	\$2,046,822	\$159.21	17.7%
50-54	\$2,685,437	\$220.01	\$2,493,117	\$195.60	-11.1%
55-59	\$3,944,984	\$325.95	\$3,208,373	\$255.30	-21.7%
60-64	\$5,797,944	\$558.46	\$5,954,883	\$511.37	-8.4%
65-79	\$4,621,185	\$606.30	\$4,241,953	\$530.51	-12.5%
80>	\$795,682	\$335.73	\$1,908,857	\$691.87	106.1%
	\$35,093	\$2,924.46	\$4,918	\$409.80	-86.0%
<b>SPOUSE</b>					
<25	\$17,378,110	\$385.83	\$18,011,890	\$392.08	1.6%
25-29	\$315,170	\$221.48	\$258,888	\$258.88	16.9%
30-34	\$1,352,327	\$283.74	\$1,269,979	\$261.58	-7.8%
35-39	\$1,274,433	\$220.45	\$1,271,699	\$213.84	-3.0%
40-44	\$1,190,207	\$208.66	\$1,430,674	\$247.57	18.6%
45-49	\$2,089,145	\$337.99	\$2,027,079	\$338.81	0.2%
50-54	\$2,345,127	\$389.75	\$2,451,743	\$405.92	4.1%
55-59	\$2,233,341	\$386.99	\$2,343,160	\$407.36	9.3%
60-64	\$3,998,074	\$809.00	\$3,759,858	\$682.00	-15.7%
65-79	\$1,868,957	\$562.26	\$2,159,713	\$644.50	14.6%
80>	\$711,330	\$628.38	\$924,690	\$724.68	15.3%
	\$0	\$0.00	\$0	\$0.00	0.0%
<b>DEPENDENT</b>					
1-4	\$9,260,086	\$126.34	\$9,745,828	\$123.77	-2.0%
5-9	\$4,634,098	\$401.78	\$2,381,944	\$192.82	-52.0%
10-14	\$909,326	\$60.49	\$2,603,386	\$161.40	165.8%
15-19	\$846,471	\$51.25	\$839,512	\$49.61	-3.2%
20-24	\$1,538,872	\$89.16	\$1,745,660	\$95.56	7.2%
25->	\$1,114,399	\$96.98	\$1,639,597	\$126.02	29.9%
	\$216,921	\$148.47	\$535,730	\$260.00	75.2%
<b>TOTAL</b>	<b>\$50,808,558</b>	<b>\$327.13</b>	<b>\$52,419,748</b>	<b>\$313.31</b>	<b>2.5%</b>

2014 to 2013  
Comparison

## PERCENTAGE OF PAYMENTS



EMPLOYEE 47.1%  
SPOUSE 34.4%  
DEPENDENT 18.6%

## KEY FINDINGS

Employees represent 45.0% of the total population and 47.1% of the total payments. Spouses costs increased 1.6% PMPM.

# COSTS AND UTILIZATION

# COSTS AND UTILIZATION

## OVERVIEW

The following slides show changes in cost and utilization by Major Diagnostic Categories (MDC's) and setting (i.e., Inpatient and Outpatient)

The slides by MDC show the disease prevalence for the population, while the slides by setting show the services that are utilized by the population.

# COST AND UTILIZATION SUMMARY BY MDC

The top five MDCs, highlighted below, account for 55.0% of the total cost PMPM in 2014. When compared to the norm, Circulatory System and Respiratory System are at least 10% higher than the norm.

	2014		2015		CHANGE	NORM	
	MEMBERS	PMPM	MEMBERS	PMPM		PMPM	CHANGE
<b>2</b> Blood	504	\$1.67	533	\$1.92	\$0.25	\$3.29	\$1.37
<b>2</b> Circulatory System	3,112	\$25.36	3,466	\$29.40	\$4.04	\$33.27	\$6.13
<b>3</b> Congenital Anomalies	237	\$1.38	250	\$1.89	\$0.51	\$3.50	\$1.61
<b>3</b> Digestive System	2,044	\$17.64	2,254	\$17.57	\$0.07	\$20.11	\$2.54
Endocrine and Metabolic	3,419	\$5.40	3,690	\$6.06	\$0.66	\$9.70	\$3.64
External Causes	4	\$0.00	3	\$0.00	\$0.00	\$0.00	\$0.00
Genitourinary System	3,745	\$15.80	3,880	\$14.96	\$0.84	\$14.93	\$0.03
Health Status	4,907	\$6.98	5,700	\$8.59	\$1.61	\$10.98	\$2.39
Infectious and Parasitic	4,029	\$6.85	4,419	\$7.22	\$0.37	\$8.31	\$1.09
Injury and Poisoning	2,815	\$17.41	2,973	\$16.03	\$1.38	\$20.19	\$4.16
Mental Disorders	2,799	\$7.09	3,196	\$7.81	\$0.72	\$8.86	\$1.05
<b>1</b> Musculoskeletal	4,376	\$24.00	4,733	\$26.03	\$2.03	\$35.81	\$9.78
Neoplasms	2,863	\$43.11	2,931	\$37.80	\$5.31	\$37.44	\$4.64
<b>3</b> Nervous and Sense Organs	3,664	\$10.59	3,800	\$9.87	\$0.72	\$16.26	\$6.39
Perinatal Conditions	163	\$2.49	161	\$0.74	\$1.75	\$2.21	\$1.50
Pregnancy and Childbirth	788	\$14.47	709	\$10.98	\$3.49	\$16.97	\$5.99
Respiratory System	7,133	\$12.75	7,500	\$13.90	\$1.15	\$11.99	\$1.98
Skin and Subcutaneous	2,727	\$4.06	2,810	\$4.08	\$0.02	\$4.22	\$0.14
<b>4</b> Symptoms and Ill-Defined	6,936	\$20.09	7,316	\$21.47	\$1.38	\$22.56	\$1.09
<b>TOTAL</b>		\$237.14		\$231.32	\$5.82	\$270.56	\$39.24

2014 to 2013  
Comparison

2014 to NORM  
Comparison

# COST AND UTILIZATION INPATIENT AND OUTPATIENT DETAIL BY MDC

Total payments PMPM decreased 2.5%. PMPM decreased 5.6% for the inpatient setting and 0.6% for the outpatient setting. Admissions per 1,000 decreased by 1.4 admissions, and the average length of stay (ALOS) decreased by 0.3 days.

	2014				2015			
	INPATIENT PMPM	INPATIENT ADMIRK	ALOS	TOTAL PMPM	INPATIENT PMPM	INPATIENT ADMIRK	ALOS	TOTAL PMPM
Blood	\$0.67	0.5	3.8	\$1.67	\$0.60	0.6	3.6	\$1.92
Circulatory System	\$12.51	6.3	4.1	\$1.35	\$14.75	5.4	4.7	\$14.65
Congenital Anomalies	\$0.59	0.1	3.0	\$1.38	\$0.99	0.4	5.1	\$0.90
Digestive System	\$7.07	6.2	3.9	\$1.69	\$7.66	6.1	4.4	\$9.91
Endocrine and Metabolic	\$0.75	1.1	4.8	\$1.31	\$1.60	1.4	3.3	\$4.46
External Causes	-\$0.00	0.0	0.0	-\$0.00	\$0.00	0.0	0.0	-\$0.00
Genitourinary System	\$2.63	2.7	2.5	\$13.17	\$3.12	3.1	3.6	\$11.84
Health Status	\$0.78	1.1	14.0	\$6.20	\$1.03	0.8	13.1	\$7.55
Infectious and Parasitic	\$4.06	2.1	7.4	\$2.79	\$4.33	2.5	5.0	\$2.89
Injury and Poisoning	\$7.34	3.8	4.9	\$10.07	\$6.38	3.1	6.1	\$9.65
Mental Disorders	\$2.23	6.6	7.2	\$4.86	\$2.57	6.9	7.3	\$5.24
Musculoskeletal	\$7.97	2.8	3.4	\$16.03	\$11.11	4.1	2.8	\$15.68
Neoplasms	\$18.86	3.5	8.9	\$24.25	\$11.11	3.2	6.6	\$21.69
Nervous and Sense Organs	\$1.52	1.2	5.3	\$9.06	\$1.86	1.1	3.8	\$8.01
OTHER	-\$0.00	0.0	0.0	-\$0.00	-\$0.00	0.0	0.0	-\$0.00
Perinatal Conditions	\$2.39	0.3	2.8	\$0.09	\$0.59	0.3	3.6	\$0.15
Pregnancy and Childbirth	\$11.61	16.5	3.1	\$2.86	\$8.70	15.9	2.9	\$2.27
Respiratory System	\$4.46	3.3	7.1	\$8.29	\$5.51	3.5	5.2	\$8.39
Skin and Subcutaneous	\$1.53	2.5	3.2	\$2.53	\$1.51	1.4	4.2	\$2.57
Symptoms and Ill-Defined	\$3.03	1.7	3.7	\$17.06	\$2.34	1.1	3.5	\$19.14
<b>TOTAL</b>	<b>\$90.60</b>	<b>67.2</b>	<b>4.9</b>	<b>\$149.12</b>	<b>88.0</b>	<b>10.51</b>	<b>4.6</b>	<b>\$145.1</b>

Costs for each setting include both facility and professional costs.

# COST AND UTILIZATION INPATIENT AND OUTPATIENT DETAIL BY MDC

Admissions per 1,000 increased the greatest for Congenital Anomalies, Musculoskeletal, Endocrine & Metabolic, Blood, and Infectious & Parasitic. Visits per member increased the greatest for Blood, Health Status, Circulatory System, Mental Disorders, and Symptoms & Ill-Defined.

	CHANGE TO 2014 TO 2015					CHANGE TO NORM				
	INPATIENT PMPM ADM/1K ALOS	OUTPATIENT VPM	SPM	TOTAL PMPM	INPATIENT PMPM ADM/1K ALOS	OUTPATIENT VPM	SPM	TOTAL PMPM		
Blood	28.9%	-2.9%	20.0%	\$0.25	9.4%	-18.2%	-4.0%	\$1.37		
Circulatory System	13.9%	16.3%	7.8%	\$4.05	2.1%	17.8%	16.8%	\$6.15		
Congenital Anomalies	281.8%	70.7%	16.7%	\$0.51	10.5%	26.1%	-12.5%	\$1.60		
Digestive System	-2.1%	12.6%	0.0%	\$0.07	13.2%	21.1%	-13.0%	\$2.54		
Endocrine and Metabolic	34.9%	-31.1%	-0.7%	\$0.65	7.2%	9.6%	-10.2%	\$3.69		
External Causes	0.0%	0.0%	0.0%	\$0.00	0.0%	0.0%	0.0%	\$0.00		
Genitourinary System	12.0%	45.0%	1.4%	\$0.84	7.4%	6.0%	9.1%	\$2.40		
Health Status	-25.5%	-6.3%	18.8%	\$1.60	17.9%	-8.4%	21.5%	\$1.09		
Infectious and Parasitic	22.7%	-22.4%	2.9%	\$0.37	33.0%	-4.9%	-22.1%	\$1.69		
Injury and Poisoning	-19.4%	-5.4%	-10.9%	\$1.38	9.7%	17.6%	-25.8%	\$4.16		
Mental Disorders	5.0%	1.9%	3.5%	\$0.72	50.9%	14.3%	17.3%	\$1.00		
Musculoskeletal	45.7%	-16.4%	0.0%	\$2.63	18.1%	-12.6%	-29.9%	\$9.78		
Neoplasms	-9.9%	-26.3%	-5.5%	\$0.71	4.3%	13.2%	-44.8%	\$6.59		
Nervous and Sense Organs	50.34	-27.9%	1.7%	\$0.00	0.0%	0.0%	0.0%	\$0.00		
OTHER	0.0%	0.0%	0.0%	\$0.00	0.0%	0.0%	0.0%	\$0.00		
Perinatal Conditions	-23.5%	-84.2%	50.0%	\$1.72	21.2%	67.9%	0.0%	\$1.50		
Pregnancy and Childbirth	-3.2%	-7.4%	-8.7%	\$1.50	24.5%	-2.0%	3.8%	\$6.00		
Respiratory System	5.8%	-25.7%	1.1%	\$1.15	37.8%	3.4%	40.3%	\$6.00		
Skin and Subcutaneous	-41.9%	31.3%	-3.8%	\$0.02	37.5%	-3.3%	5.7%	\$0.12		
Symptoms and Ill-Defined	-39.1%	-6.4%	6.9%	\$1.59	13.8%	-3.0%	4.1%	\$1.09		
<b>TOTAL</b>	<b>-59.00</b>	<b>23%</b>	<b>5.4%</b>	<b>\$0.31</b>	<b>13%</b>	<b>2.5%</b>	<b>\$4.61</b>	<b>\$39.23</b>		

# COST AND UTILIZATION BY SETTING

The total PMPM has decreased by \$5.83 (-2.5%), which was driven by a \$5.01 decrease in the inpatient setting. Admissions per 1,000 remained stable and is the same as the norm of 61.7. The cost per admission remained stable. In the outpatient setting, visits per member remained stable and the services per member remained stable. The cost per service in the outpatient setting decreased.

	2014				2015				CHANGE 2014 TO 2015			
	PMPM	ADM/K	ALOS	CPA	PMPM	ADM/K	ALOS	CPA	PMPM	ADM/K	ALOS	CPA
<b>INPATIENT</b>												
Facility	\$76.87	62.2	4.9	\$14,825	\$72.55	60.8	4.6	\$14,372	-\$4.32	-2.3%	-5.7%	-\$440
Professional	\$13.13			\$2,532	\$12.44			\$2,457	-\$0.69			-\$75
Subtotal	\$90.00			\$17,357	\$84.99			\$16,778	-\$5.01			-\$579
<b>OUTPATIENT</b>												
Facility	\$76.17	1.5	4.7	\$197	\$72.75	1.6	4.9	\$179	-\$3.42	6.7%	4.3%	-\$178
Professional	\$70.96	9.7	15.9	\$54	\$75.56	9.7	16.1	\$55	\$2.60	0.0%	1.3%	\$1
Subtotal	\$147.13	11.2	20.6	\$250	\$148.31	11.3	21.0	\$233	-\$0.82	0.9%	1.9%	-\$67
<b>TOTAL</b>	<b>\$237.13</b>				<b>\$231.50</b>				<b>-\$5.83</b>			

# COST AND UTILIZATION BY INPATIENT

The service categories with the highest decreases from the prior time period are Medical, Maternity and Non-Acute. The following categories exceeded the norm by 10%: Medical, while the following categories are less than 10% of the norm: Maternity and Non-Acute.

	2014			2015		
	FACILITY PMPM	INPATIENT COST PROF PMPM	TOTAL PMPM	FACILITY PMPM	INPATIENT COST PROF PMPM	TOTAL PMPM
Surgical	\$32.32	\$5.65	\$37.97	\$41.05	\$6.47	\$47.52
Medical	\$30.41	\$3.51	\$33.92	\$21.30	\$3.33	\$24.63
Maternity	\$11.20	\$3.17	\$14.37	\$7.17	\$2.19	\$9.36
MHSA *	\$1.89	\$0.27	\$2.16	\$2.22	\$0.33	\$2.55
Non-Acute	\$1.06	\$0.53	\$1.59	\$0.80	\$0.13	\$0.93
<b>TOTAL</b>	<b>\$76.88</b>	<b>\$13.13</b>	<b>\$90.01</b>	<b>\$72.54</b>	<b>\$12.45</b>	<b>\$84.99</b>

\* MHSA :: Mental Health / Substance Abuse



**\$37.97**  
IN 2014 SURGICAL WAS THE LARGEST INPATIENT COST DRIVER



**\$47.52**  
IN 2015 SURGICAL WAS THE LARGEST INPATIENT COST DRIVER

# COST AND UTILIZATION BY INPATIENT

Medical, Maternity and Surgical were the categories of service with the most frequent admissions. These categories accounted for 86.7% of the total admissions and 95.9% of the total services in 2014. Overall, admissions per 1,000 decreased by 1.4 and the cost per admission decreased by \$579.

	2014		2015	
	ADMIK	UTILIZATION ALOS	ADMIK	UTILIZATION ALOS
Surgical	16.0	4.2	14.6	5.0
Medical	21.7	5.1	21.9	4.1
Maternity	16.8	3.5	16.2	2.9
MHSA *	6.4	7.2	6.9	7.3
Non-Acute	1.3	15.4	1.2	14.0
<b>TOTAL</b>	<b>62.2</b>	<b>4.9</b>	<b>60.8</b>	<b>4.6</b>

\* MHSA :: Mental Health / Substance Abuse



**\$28,548.09**  
IN 2017 SURGICAL WAS THE HIGHEST CPA CATEGORY



**\$39,015.80**  
IN 2014 SURGICAL WAS THE HIGHEST CPA CATEGORY

# COST AND UTILIZATION BY INPATIENT

The table below shows year-over-year comparison of inpatient facility, professional, and total PMPM changes.

	CHANGE 2012 to 2015				CHANGE TO NORM			
	FACILITY PMPM	INPATIENT COST PROF PMPM	TOTAL PMPM		FACILITY PMPM	INPATIENT COST PROF PMPM	TOTAL PMPM	
Surgical	\$8.73	\$0.82	\$9.55		\$0.79	-\$0.35	\$0.44	
Medical	-\$9.11	-\$0.18	-\$9.29		\$2.07	\$0.55	\$2.62	
Maternity	-\$4.03	-\$0.98	-\$5.01		-\$4.59	-\$1.52	-\$6.11	
MHSA *	\$0.33	\$0.06	\$0.39		-\$0.35	\$0.08	\$0.27	
Non-Acute	-\$0.26	-\$0.40	\$0.66		-\$1.19	-\$0.29	\$1.48	
<b>TOTAL</b>	<b>-\$1.34</b>	<b>\$0.68</b>	<b>\$5.02</b>		<b>\$3.27</b>	<b>\$1.53</b>	<b>\$4.80</b>	

\* MHSA :: Mental Health / Substance Abuse



**\$9.55**  
IN 2013 SURGICAL HAD THE LARGEST  
INCREASE FROM 2012 TO 2015



**\$6.11**  
MATERNITY HAD THE LARGEST  
DECREASE WHEN COMPARED TO THE  
NORM

# COST AND UTILIZATION BY OUTPATIENT

The top five service categories make up 70.1% of the total amount paid and \$103 of the total PMPM. The service categories with the highest decreases from the prior time period are . The following categories exceed the norm by 10%: Office Visits, Radiology, Pathology, Other Preventive and Anesthesia. The following categories are less than 10% of the norm: Surgery, ER and Pharmacy.

	2014			2015			CHANGE FROM 2014			CHANGE TO NORM		
	PROFESSIONAL	FACILITY	TOTAL	PROFESSIONAL	FACILITY	TOTAL	PROFESSIONAL	FACILITY	TOTAL	PROFESSIONAL	FACILITY	TOTAL
Surgery	\$7.92	\$29.29	\$37.21	\$7.01	\$27.44	\$34.45	-\$0.91	-\$1.85	-\$7.76	\$3.40	-\$5.57	-\$8.97
Emergency Room	\$4.36	\$14.86	\$19.22	\$6.12	\$17.31	\$23.43	\$1.76	\$2.45	\$4.21	\$3.53	-\$2.17	\$1.57
Office Visits	\$14.99	\$0.01	\$15.00	\$15.27	\$0.01	\$15.28	\$0.28	\$0.00	\$0.28	-\$0.85	-\$0.77	\$1.62
Radiology	\$8.75	\$6.90	\$15.65	\$8.54	\$6.58	\$15.12	-\$0.21	-\$0.32	-\$0.53	\$2.07	-\$6.10	\$4.03
Pharmacy and Blood	\$5.45	\$12.58	\$18.03	\$5.63	\$6.68	\$11.31	\$0.18	-\$3.90	\$3.72	-\$2.44	-\$3.51	\$5.96
Pathology	\$6.22	\$3.87	\$10.09	\$6.50	\$3.02	\$9.52	\$0.28	-\$0.85	-\$0.57	\$1.39	-\$1.37	\$0.02
Other Preventive	\$3.67	\$1.48	\$5.15	\$3.93	\$1.57	\$5.50	\$0.26	\$0.09	\$0.35	-\$2.46	-\$1.63	\$1.12
Cardiovascular	\$1.99	\$0.84	\$2.83	\$2.19	\$1.93	\$4.12	\$0.20	\$0.00	\$1.28	\$1.25	\$0.02	\$1.12
Anesthesia	\$3.23	\$0.00	\$3.23	\$2.91	\$0.00	\$2.91	-\$0.32	\$0.00	\$0.33	-\$1.10	-\$1.08	\$1.08
Immunizations	\$2.41	\$0.00	\$2.41	\$2.29	\$0.00	\$2.29	-\$0.12	\$0.00	\$0.33	-\$1.08	-\$0.00	\$1.08
Medical Diagnostic	\$2.38	\$0.83	\$3.21	\$2.29	\$0.36	\$2.65	-\$0.09	-\$0.47	-\$0.30	-\$0.50	-\$0.83	\$0.83
DME	\$1.59	\$0.49	\$2.08	\$1.60	\$0.43	\$2.03	\$0.01	-\$0.06	\$0.03	-\$1.63	-\$0.13	\$1.77
Physical Therapy	\$1.97	\$0.00	\$1.97	\$1.80	\$0.00	\$1.80	-\$0.17	\$0.00	\$0.17	-\$2.33	-\$0.00	\$2.33
Ambulance	\$1.22	\$0.16	\$1.38	\$1.71	\$0.08	\$1.79	\$0.49	-\$0.08	\$0.41	\$0.69	-\$0.19	\$0.69
Urgent Care	\$1.27	\$0.00	\$1.27	\$1.45	\$0.00	\$1.45	\$0.18	\$0.00	\$0.18	\$0.12	-\$0.00	\$0.12
ALL OTHER	\$3.55	\$4.88	\$8.43	\$3.92	\$5.35	\$9.27	\$10.42	\$9.63	\$0.84	-\$50.49	-\$31.59	\$8.14
<b>TOTAL</b>	<b>\$7097</b>	<b>\$7619</b>	<b>\$14716</b>	<b>\$7288</b>	<b>\$7276</b>	<b>\$14564</b>	<b>\$169</b>	<b>\$450</b>	<b>\$056</b>	<b>\$147</b>	<b>-\$219</b>	<b>\$1505</b>





HIGH COST CLAIMANTS  
COSTS AND UTILIZATION

# HIGH COST CLAIMANTS COSTS AND UTILIZATION

## OVERVIEW

The following slides show changes in cost and utilization for High Cost Claimants organized by Major Diagnostic Categories (MDC's) and setting (i.e., Inpatient and Outpatient)

The slides by MDC show the disease prevalence for High Cost Claimants, while the slides by setting show the services that are utilized by the same claimants.

# HIGH COST CLAIMANTS SUMMARY BY MDC

The top five MDCs for High Cost Claimants, highlighted below, account for 67.1% of the total cost PMPM in 2014. When compared to the norm, Circulatory System, Infectious & Parasitic, Respiratory System, Skin & Subcutaneous and Symptoms & Ill-Defined are at least 10% higher than the norm.

	2014		2015		CHANGE	NORM	
	MEMBERS	PMPM	MEMBERS	PMPM		PMPM	CHANGE
<b>2</b> Blood	37	\$0.78	53	\$0.89	\$0.11	\$2.33	-\$1.64
<b>2</b> Circulatory System	110	\$12.27	142	\$18.33	\$6.06	\$13.25	-\$5.08
<b>2</b> Congenital Anomalies	14	\$0.57	16	\$0.86	\$0.29	\$2.15	-\$1.29
<b>5</b> Digestive System	69	\$4.64	81	\$5.15	\$0.51	\$1.93	-\$0.78
<b>5</b> Endocrine and Metabolic	88	\$1.77	106	\$2.05	\$0.28	\$3.32	-\$1.27
<b>5</b> External Causes	1	\$0.00	0	\$0.00	\$0.00	\$0.00	\$0.00
<b>5</b> Genitourinary System	75	\$2.86	77	\$3.10	\$0.24	\$3.85	-\$0.77
<b>5</b> Health Status	109	\$1.48	129	\$1.63	\$0.15	\$2.33	-\$0.60
<b>5</b> Infectious and Parasitic	55	\$3.09	60	\$3.59	\$0.50	\$3.18	\$0.41
<b>4</b> Injury and Poisoning	76	\$6.63	81	\$6.38	\$0.25	\$7.39	-\$1.01
<b>3</b> Mental Disorders	66	\$1.08	98	\$2.00	\$0.92	\$1.85	\$0.15
<b>3</b> Musculoskeletal	87	\$5.41	105	\$6.52	\$1.11	\$1.85	\$0.15
<b>1</b> Neoplasms	75	\$31.71	98	\$21.65	-\$10.06	\$23.06	-\$1.41
<b>1</b> Nervous and Sense Organs	69	\$2.55	87	\$2.97	\$0.42	\$3.83	-\$0.86
<b>1</b> Perinatal Conditions	5	\$1.80	5	\$0.35	-\$1.45	\$1.51	\$1.16
<b>1</b> Pregnancy and Childbirth	5	\$3.07	4	\$0.92	-\$2.15	\$1.84	-\$1.92
<b>1</b> Respiratory System	95	\$3.47	123	\$4.70	\$1.23	\$3.29	-\$1.41
<b>1</b> Skin and Subcutaneous	37	\$0.78	60	\$1.50	\$0.72	\$1.04	-\$0.46
<b>1</b> Symptoms and Ill-Defined	129	\$3.61	160	\$3.90	\$0.29	\$3.41	-\$0.49
<b>TOTAL</b>		<b>\$87.57</b>		<b>\$86.49</b>	<b>-\$1.08</b>	<b>\$93.91</b>	<b>-\$7.42</b>

2014 to 2013 Comparison  
2014 to NORM Comparison

# HIGH COST CLAIMANTS INPATIENT AND OUTPATIENT DETAIL BY MDC

Total payments PMPM decreased 1.2%. PMPM decreased 1.7% for the inpatient setting and 0.5% for the outpatient setting. Admissions per 1,000 increased by 2.2 admissions, and the average length of stay (ALOS) decreased by 1.9 days.

	2014					2015							
	INPATIENT		OUTPATIENT		TOTAL	INPATIENT		OUTPATIENT		TOTAL			
	PMPM	ADM/K	ALOS	PMPM		VP	PMPM	ADM/K	ALOS		PMPM	VP	SPM
Blood	\$0.47	0.2	4.3	\$0.30	0.01	0.04	\$0.77	0.1	3.0	\$0.59	0.01	0.05	\$0.89
Circulatory System	\$7.40	2.2	6.2	\$4.87	0.05	0.12	\$12.77	2.9	6.2	\$6.24	0.05	0.14	\$18.53
Congenital Anomalies	\$0.45	0.1	3.0	\$0.12	0.00	0.01	\$0.57	0.3	3.0	\$0.09	0.00	0.00	\$0.86
Digestive System	\$3.36	1.5	6.2	\$1.28	0.02	0.05	\$4.47	1.8	7.4	\$0.68	0.02	0.04	\$0.75
Endocrine and Metabolic	\$0.50	0.5	6.5	\$1.27	0.03	0.07	\$1.77	0.3	6.3	\$0.97	0.03	0.08	\$2.05
External Causes	-\$0.00	0.0	0.0	-\$0.00	0.00	0.00	\$0.00	0.0	0.0	-\$0.00	0.00	0.00	-\$0.00
Genitourinary System	\$1.05	0.5	4.5	\$1.80	0.04	0.08	\$2.85	0.8	5.7	\$1.64	0.05	0.09	\$3.09
Health Status	\$0.64	0.8	16.5	\$0.84	0.03	0.13	\$1.48	0.4	16.4	\$0.79	0.03	0.10	\$1.64
Infectious and Parasitic	\$2.99	0.8	10.6	\$0.10	0.00	0.02	\$3.09	1.3	7.9	\$0.19	0.01	0.03	\$0.58
Injury and Poisoning	\$5.49	1.7	6.9	\$1.14	0.03	0.07	\$6.63	1.5	8.5	\$1.09	0.02	0.08	\$6.58
Mental Disorders	\$0.42	0.5	20.0	\$0.66	0.03	0.05	\$1.08	1.6	8.5	\$1.24	0.04	0.14	\$2.00
Musculoskeletal	\$4.36	1.0	5.6	\$1.05	0.05	0.12	\$5.41	1.6	4.4	\$1.31	0.07	0.14	\$6.51
Neoplasms	\$16.64	1.7	14.4	\$15.07	0.18	0.67	\$31.71	1.6	8.6	\$12.17	0.17	0.57	\$21.65
Nervous and Sense Organs	\$1.11	0.5	9.1	\$1.44	0.02	0.05	\$2.55	0.5	4.4	\$1.70	0.02	0.04	\$2.97
OTHER	-\$0.00	0.0	0.0	-\$0.00	0.00	0.00	\$0.00	0.0	0.0	-\$0.00	0.00	0.00	-\$0.00
Perinatal Conditions	\$1.80	0.1	34.0	-\$0.00	0.00	0.00	\$1.80	0.1	8.0	-\$0.01	0.00	0.00	\$0.95
Pregnancy and Childbirth	\$3.07	0.2	37.8	-\$0.00	0.00	0.00	\$3.07	0.2	34.3	-\$0.00	0.00	0.00	\$0.93
Respiratory System	\$3.07	1.3	12.6	\$0.40	0.02	0.05	\$3.47	1.2	8.5	\$0.80	0.03	0.08	\$4.70
Skin and Subcutaneous	\$0.32	0.4	3.4	\$0.47	0.01	0.02	\$0.79	0.5	6.4	\$0.57	0.02	0.03	\$1.50
Symptoms and Ill-Defined	\$1.93	0.7	6.1	\$1.69	0.06	0.15	\$3.62	0.3	6.8	\$2.26	0.08	0.20	\$3.90
<b>TOTAL</b>	<b>\$55.07</b>	<b>1.4</b>	<b>0.6</b>	<b>\$32.50</b>	<b>0.53</b>	<b>1.0</b>	<b>\$87.97</b>	<b>1.6</b>	<b>7.7</b>	<b>\$2.53</b>	<b>0.65</b>	<b>1.91</b>	<b>\$86.28</b>

Costs for each setting include both facility and professional costs.

# HIGH COST CLAIMANTS INPATIENT AND OUTPATIENT DETAIL BY MDC

Admissions per 1,000 increased the greatest for Congenital Anomalies, Mental Disorders, Genitourinary System, Infectious & Parasitic, and Skin & Subcutaneous. Visits per member increased the greatest for Skin & Subcutaneous, Respiratory System, Musculoskeletal, Mental Disorders, and Symptoms & Ill-Defined.

	CHANGE TO HIGHER				CHANGE TO NORM			
	INPATIENT PMPM ADM/K-ALOS	OUTPATIENT PMPM VPM	TOTAL PMPM	INPATIENT PMPM ADM/K-ALOS	OUTPATIENT PMPM VPM	TOTAL PMPM		
Blood	-\$0.17	-50.0%	-29.4%	\$96.67	0.0%	25.0%		
Circulatory System	\$4.69	33.5%	0.5%	\$28.13	20.0%	16.7%		
Congenital Anomalies	\$0.33	333.3%	0.0%	-\$33.33	0.0%	-100.0%		
Digestive System	\$1.11	19.2%	21.0%	-\$46.88	0.0%	-20.0%		
Endocrine and Metabolic	\$0.58	-28.9%	-2.6%	-\$23.62	0.0%	14.3%		
External Causes	-\$0.00	0.0%	0.0%	-\$0.00	0.0%	0.0%		
Genitourinary System	\$0.40	75.6%	26.0%	-\$8.89	25.0%	12.5%		
Health Status	\$0.21	-46.2%	-0.7%	-\$5.95	0.0%	-23.1%		
Infectious and Parasitic	\$0.41	62.8%	-25.1%	\$90.00	0.0%	50.0%		
Injury and Poisoning	-\$0.20	-11.9%	40.7%	-\$4.39	-33.3%	14.3%		
Mental Disorders	\$0.34	264.4%	-57.6%	\$87.88	33.3%	180.0%		
Musculoskeletal	\$0.84	28.4%	-22.2%	\$24.76	40.0%	16.7%		
Neoplasms	-\$7.16	-5.7%	-40.6%	-\$19.24	-5.6%	-14.9%		
Nervous and Sense Organs	\$0.16	6.7%	-51.3%	\$18.06	0.0%	-20.0%		
OTHER	-\$0.00	0.0%	0.0%	-\$0.00	0.0%	0.0%		
Perinatal Conditions	-\$1.46	-16.7%	-76.5%	-\$0.00	0.0%	0.0%		
Pregnancy and Childbirth	-\$2.15	-27.3%	-9.1%	-\$0.00	0.0%	0.0%		
Respiratory System	\$0.83	-9.0%	-32.5%	\$100.00	50.0%	60.0%		
Skin and Subcutaneous	\$0.61	35.9%	86.6%	\$21.28	100.0%	50.0%		
Symptoms and Ill-Defined	-\$0.29	-52.2%	12.3%	\$33.73	33.3%	33.3%		
<b>TOTAL</b>	<b>-\$0.92</b>	<b>15.6%</b>	<b>19.7%</b>	<b>\$40.17</b>	<b>15.8%</b>	<b>6.5%</b>		

# HIGH COST CLAIMANTS COST AND UTILIZATION BY SETTING

The total High Cost Claimant (HCC) PMPM has decreased by \$1.06 (-1.2%), which was driven by a \$0.92 decrease in the inpatient setting. HCC's increased/decreased from # to #. In the outpatient setting, visits per member remained stable and the services per member remained stable. The cost per service in the outpatient setting decreased.

	2014				2015				CHANGE 2014 TO 2015			
	PMPM	ADM/R	ALOS	CPA	PMPM	ADM/R	ALOS	CPA	PMPM	ADM/R	ALOS	CPA
<b>INPATIENT</b>												
Facility	\$48.98	1.43	9.6	\$40,995	\$47.06	1.6	7.7	\$34,649	-\$1.92	16.1%	-19.8%	-\$15.5%
Professional	\$6.08			\$5,091	\$6.28			\$4,545	-\$0.20			-\$0.7%
Subtotal	\$55.06			\$46,086	\$54.14			\$39,195	-\$0.92			-\$15.0%
<b>OUTPATIENT</b>												
Facility	\$24.18	0.2	0.9	\$330	\$22.19	0.2	0.9	\$296	-\$1.99	0.0%	0.0%	-\$0.3%
Professional	\$8.31	0.4	0.8	\$120	\$10.16	0.4	0.9	\$132	\$1.85	0.0%	15.5%	\$10.3%
Subtotal	\$32.49	0.6	1.7	\$450	\$32.35	0.6	1.8	\$428	-\$0.14	0.0%	5.9%	-\$1.8%
<b>TOTAL</b>	<b>\$87.55</b>			<b>\$88,619</b>	<b>\$86.49</b>			<b>\$83,393</b>	<b>-\$1.06</b>			<b>-1.2%</b>

# HIGH COST CLAIMANTS INPATIENT COST AND UTILIZATION

The service categories with the highest decreases from the prior time period are Medical, Maternity and Non-Acute. The following categories exceeded the norm by 100%: Surgical and Medical, while the following categories are less than 10% of the norm: Maternity, MHSA \* and Non-Acute.

	2014		2015	
	FACILITY PMPM	INPATIENT COST PROF PMPM	FACILITY PMPM	INPATIENT COST PROF PMPM
Surgical	\$20.35	\$2.86	\$31.88	\$4.01
Medical	\$23.04	\$2.05	\$13.70	\$1.89
Maternity	\$4.32	\$0.83	\$1.05	\$0.21
MHSA *	\$0.37	\$0.03	\$0.67	\$0.06
Non-Acute	\$0.91	\$0.31	\$0.56	\$0.11
<b>TOTAL</b>	<b>\$48.99</b>	<b>\$6.08</b>	<b>\$47.86</b>	<b>\$6.28</b>

\* MHSA :: Mental Health / Substance Abuse



**\$25.09**  
IN 2015 MEDICAL WAS THE LARGEST INPATIENT COST DRIVER



**\$35.89**  
IN 2014 SURGICAL WAS THE LARGEST INPATIENT COST DRIVER

# HIGH COST CLAIMANTS INPATIENT COST AND UTILIZATION

Medical, Surgical and MHSA \* were the categories of service with the most frequent admits. These categories accounted for 94.6% of the total admissions and 96.4% of the total services in 2014. Overall, admits per member increased by 2.2 and the cost per admission decreased by \$6,837.

	2014		2015	
	ADMIRK	UTILIZATION ALOS	ADMIRK	UTILIZATION ALOS
Surgical	5.3	6.7	6.3	8.1
Medical	7.4	8.9	7.8	5.9
Maternity	0.3	37.0	0.2	27.8
MHSA *	0.4	20.0	1.6	8.5
Non-Acute	1.0	17.2	0.7	15.9
<b>TOTAL</b>	<b>14.4</b>	<b>9.6</b>	<b>16.6</b>	<b>7.7</b>

\* MHSA :: Mental Health / Substance Abuse



**\$220,676.22**  
INPATIENT SERVICES - THE  
LARGEST CPA CATEGORY



**\$71,164.11**  
INPATIENT SERVICES - THE  
LARGEST CPA CATEGORY

# HIGH COST CLAIMANTS INPATIENT COST AND UTILIZATION

The table below shows year-over-year comparison of inpatient facility, professional, and total PMPM changes.

	CHANGE TO 2014 TO 2015			CHANGE TO NORM		
	FACILITY PMPM	INPATIENT COST PROF PMPM	TOTAL PMPM	FACILITY PMPM	INPATIENT COST PROF PMPM	TOTAL PMPM
Surgical	\$11.53	\$1.15	\$12.68	\$4.25	-\$0.20	\$4.05
Medical	-\$9.34	-\$0.16	-\$9.50	\$2.29	\$0.32	\$2.61
Maternity	-\$3.27	-\$0.62	-\$3.89	-\$2.18	-\$0.33	-\$2.51
MHSA *	\$0.30	\$0.03	\$0.33	\$0.16	-\$0.01	\$0.17
Non-Acure	-\$0.35	-\$0.20	-\$0.55	-\$1.12	-\$0.19	-\$1.31
<b>TOTAL</b>	<b>-\$1.13</b>	<b>\$0.20</b>	<b>-\$0.93</b>	<b>\$3.08</b>	<b>\$0.41</b>	<b>\$2.67</b>

\* MHSA = Mental Health / Substance Abuse



**\$12.68**  
SURGICAL HAD THE LARGEST INCREASE FROM YEAR TO YEAR



**\$4.05**  
SURGICAL HAD THE LARGEST INCREASE WHEN COMPARED TO THE NORM

# HIGH COST CLAIMANTS OUTPATIENT COST AND UTILIZATION

The top five service categories make up 75.9% of the total amount paid and \$25 of the total PMPM. The service categories with the highest decreases from the prior time period are . The following categories exceed the norm by 10%: Office Visits, DME, Ambulance, Medical Diagnostic and Anesthesia, while the following categories are less than 10% of the norm: Pharmacy, Surgery, Radiology, ER and Pathology.

	2014			2015			CHANGE TO 2014			CHANGE TO NORM		
	PROFESSIONAL	FACILITY	TOTAL	PROFESSIONAL	FACILITY	TOTAL	PROFESSIONAL	FACILITY	TOTAL	PROFESSIONAL	FACILITY	TOTAL
Pharmacy and blood	\$2.23	\$7.24	\$9.47	\$2.25	\$5.62	\$7.87	\$0.02	-\$1.62	\$1.60	-\$3.02	\$4.76	\$7.78
Surgery	\$0.78	\$6.14	\$6.92	\$0.81	\$6.03	\$6.84	\$0.03	-\$0.11	\$0.08	-\$0.27	-\$0.72	\$1.00
Radiology	\$1.75	\$3.24	\$4.99	\$2.28	\$3.23	\$5.51	\$0.53	-\$0.01	\$0.52	\$0.86	-\$1.03	\$0.17
Emergency Room	\$0.18	\$1.81	\$1.99	\$0.45	\$2.16	\$2.61	\$0.27	\$0.35	\$0.62	\$0.23	-\$0.12	\$0.11
Pathology	\$0.46	\$2.20	\$2.66	\$0.56	\$1.15	\$1.71	\$0.10	-\$1.05	\$0.95	-\$0.03	-\$0.11	\$0.08
Cardiovascular	\$0.21	\$0.26	\$0.47	\$0.28	\$0.97	\$1.25	\$0.07	\$0.71	\$0.78	-\$0.03	\$0.46	\$0.52
Dialysis	\$0.06	\$1.25	\$1.31	\$0.05	\$1.11	\$1.16	-\$0.01	-\$0.14	\$0.15	\$0.13	-\$0.56	\$0.19
Office Visits	\$0.76	\$0.00	\$0.76	\$1.00	\$0.00	\$1.00	\$0.24	\$0.00	\$0.24	-\$0.02	-\$0.16	\$0.07
DME	\$0.45	\$0.35	\$0.80	\$0.60	\$0.21	\$0.81	\$0.15	-\$0.14	\$0.01	\$0.00	-\$0.16	\$0.17
Home Health/PDN	\$0.15	\$0.37	\$0.52	\$0.15	\$0.54	\$0.69	\$0.00	\$0.17	\$0.17	-\$0.37	-\$0.16	\$0.17
Alcohol and Drug	\$0.00	\$0.13	\$0.13	\$0.01	\$0.65	\$0.66	\$0.01	\$0.52	\$0.53	\$0.01	-\$0.32	\$0.53
Ambulance	\$0.18	\$0.01	\$0.19	\$0.55	\$0.05	\$0.60	\$0.37	\$0.04	\$0.41	\$0.31	-\$0.10	\$0.21
Medical Diagnostic	\$0.58	\$0.54	\$1.12	\$0.40	\$0.06	\$0.46	-\$0.18	-\$0.48	\$0.66	\$0.19	-\$0.23	\$0.04
Anesthesia	\$0.26	\$0.00	\$0.26	\$0.30	\$0.00	\$0.30	\$0.04	-\$0.08	\$0.04	-\$0.10	-\$0.00	\$0.11
Other Therapy	\$0.00	\$0.27	\$0.27	\$0.00	\$0.19	\$0.19	\$0.00	-\$0.00	\$0.00	-\$0.00	-\$0.19	\$0.19
ALL OTHER	\$0.28	\$0.37	\$0.65	\$0.47	\$0.21	\$0.68	\$0.26	-\$43.24	\$0.03	-\$46.85	-\$64.94	\$0.00
<b>TOTAL</b>	<b>\$8.33</b>	<b>\$24.16</b>	<b>\$32.49</b>	<b>\$10.16</b>	<b>\$22.18</b>	<b>\$22.34</b>	<b>\$1.83</b>	<b>\$40.77</b>	<b>\$0.52</b>	<b>\$19.85</b>	<b>\$28.50</b>	<b>\$33.31</b>

# HIGH COST CLAIMANTS OUTPATIENT COST AND UTILIZATION

Urgent Care, Physical Therapy, Maternity, Medical Diagnostic and Hearing were the categories of service with the most frequent visits. These categories accounted for 63.3% of the total visits and 1.4% of the total services in 2014. Overall, visits per member increased by 0.08 and services per member increased by 0.13.

	2014					2015				
	PROFESSIONAL VPM	PROFESSIONAL SPM	FACILITY VPM	FACILITY SPM	TOTAL VPM	PROFESSIONAL VPM	PROFESSIONAL SPM	FACILITY VPM	FACILITY SPM	TOTAL VPM
Pharmacy and Blood	0.03	0.07	0.05	0.16	0.08	0.02	0.06	0.04	0.19	0.05
Surgery	0.02	0.03	0.01	0.08	0.03	0.02	0.03	0.01	0.06	0.03
Radiology	0.08	0.11	0.04	0.06	0.12	0.09	0.13	0.03	0.06	0.12
Emergency Room	0.01	0.01	0.02	0.15	0.03	0.02	0.02	0.03	0.22	0.05
Pathology	0.08	0.32	0.05	0.26	0.13	0.08	0.33	0.05	0.21	0.13
Cardiovascular	0.02	0.02	0.00	0.00	0.02	0.03	0.03	0.00	0.00	0.03
Dialysis	0.00	0.00	0.02	0.02	0.02	0.00	0.00	0.03	0.03	0.03
Office Visits	0.12	0.12	0.00	0.00	0.12	0.13	0.13	0.00	0.00	0.13
DME	0.02	0.03	0.01	0.02	0.03	0.05	0.01	0.01	0.02	0.03
Home Health/PDN	0.01	0.02	0.02	0.05	0.03	0.01	0.01	0.05	0.05	0.07
Alcohol and Drug	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01
Ambulance	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.01
Medical Diagnostic	0.03	0.03	0.01	0.01	0.04	0.02	0.02	0.00	0.00	0.02
Anesthesia	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.01
Other Therapy	0.00	0.00	0.01	0.03	0.01	0.00	0.00	0.01	0.02	0.01
ALL OTHER	0.02	0.05	0.02	0.02	0.04	0.04	0.08	0.02	0.02	0.06
<b>TOTAL</b>	<b>0.45</b>	<b>0.87</b>	<b>0.26</b>	<b>0.88</b>	<b>0.71</b>	<b>0.50</b>	<b>0.91</b>	<b>0.25</b>	<b>0.90</b>	<b>0.79</b>
										<b>1.61</b>

# HIGH COST CLAIMANTS OUTPATIENT COST AND UTILIZATION

	CHANGE TO 2017 REVISIT				CHANGE TO NORM							
	PROFESSIONAL VPM	PROFESSIONAL \$/VPM	FACILITY VPM	FACILITY \$/VPM	TOTAL VPM	TOTAL \$/VPM	PROFESSIONAL VPM	PROFESSIONAL \$/VPM	FACILITY VPM	FACILITY \$/VPM	TOTAL VPM	TOTAL \$/VPM
Pharmacy and Blood	-33.3%	-14.3%	-20.0%	18.8%	-25.0%	87.6%	33.3%	-40.0%	1.1%	1.1%	1.1%	1.1%
Surgery	0.0%	0.0%	0.0%	-25.0%	0.0%	18.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Radiology	12.5%	18.2%	-25.0%	0.0%	0.0%	11.8%	28.6%	30.0%	0.0%	0.0%	0.0%	0.0%
Emergency Room	100.0%	100.0%	50.0%	46.7%	66.7%	50.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Pathology	0.0%	3.1%	0.0%	-19.2%	0.0%	6.3%	14.3%	32.0%	0.0%	0.0%	0.0%	0.0%
Cardiovascular	50.0%	50.0%	0.0%	0.0%	50.0%	50.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
Dialysis	0.0%	0.0%	50.0%	0.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Office Visits	8.3%	8.3%	0.0%	0.0%	8.3%	8.3%	8.3%	8.3%	0.0%	0.0%	0.0%	0.0%
DME	0.0%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%
Home Health/PDN	0.0%	-50.0%	150.0%	20.0%	100.0%	0.0%	-50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
Alcohol and Drug	0.0%	0.0%	0.0%	0.0%	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ambulance	0.0%	0.0%	0.0%	0.0%	NA	NA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Medical Diagnostic	-33.3%	-33.3%	-100.0%	-100.0%	-50.0%	50.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Anesthesia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Therapy	0.0%	0.0%	0.0%	-33.3%	0.0%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ALL OTHER	100.0%	60.0%	0.0%	0.0%	50.0%	42.9%	50.0%	-41.5%	1.0%	1.0%	1.0%	1.0%
<b>TOTAL</b>	<b>11.9%</b>	<b>11.0%</b>	<b>11.5%</b>	<b>4.4%</b>	<b>11.5%</b>	<b>7.7%</b>	<b>0.3%</b>	<b>5.6%</b>	<b>11.2%</b>	<b>1.5%</b>	<b>1.5%</b>	<b>1.5%</b>

ADDITIONAL ANALYSES

# ADDITIONAL ANALYSES

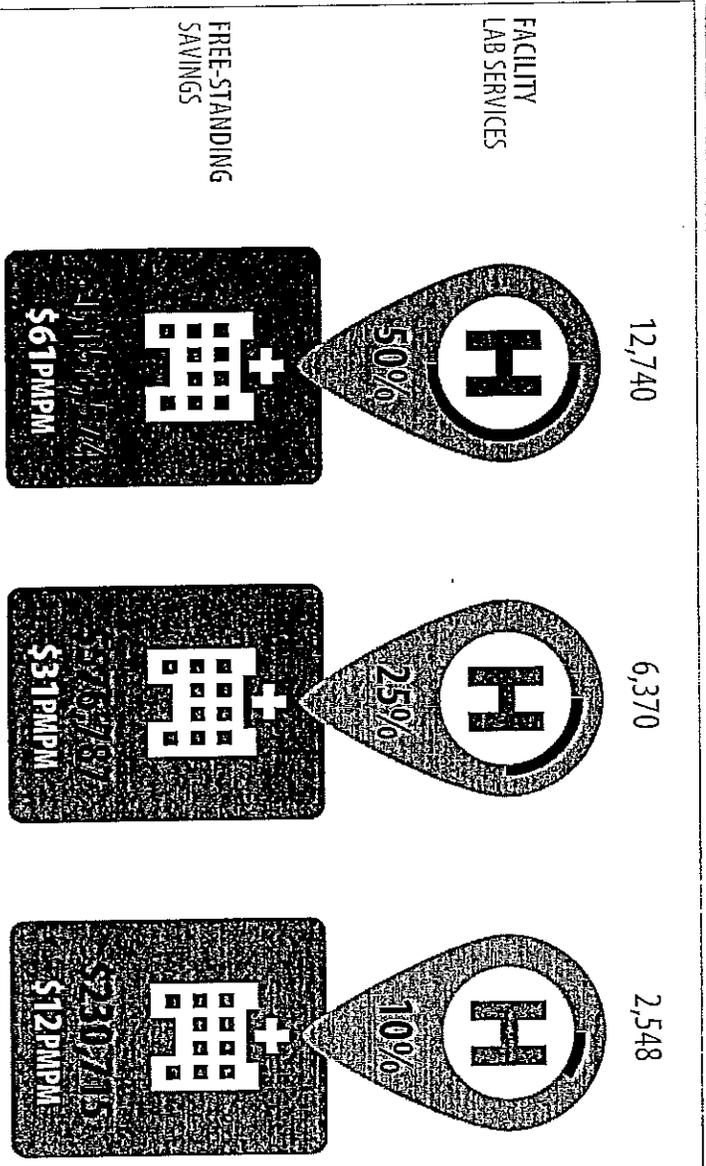
## OVERVIEW

The following slides show additional analyses such as Urgent Care and Emergency Room Costs, Lab Site of Service Costs, and High Cost Claimants Summary.

# ADDITIONAL ANALYSES LAB SITE OF SERVICE

SITE OF SERVICE	2014		2015		% CHANGE		NORM	
	SERVICES 1,000	ALLOWED SERVICE	SERVICES 1,000	ALLOWED SERVICE	SERVICES 1,000	ALLOWED SERVICE	SERVICES 1,000	ALLOWED SERVICE
Facility	23,623	1,323	1,349	\$1,276,647	7.9%	1,784	\$511	
Free-Standing	105,048	5,883	5,927	\$7,530,950	6.6%	4,603	\$721	
TOTAL	128,671	7,206	7,276	\$8,807,597	6.8%	1,866	\$107	

## AVERAGE SAVINGS



## KEY FINDINGS

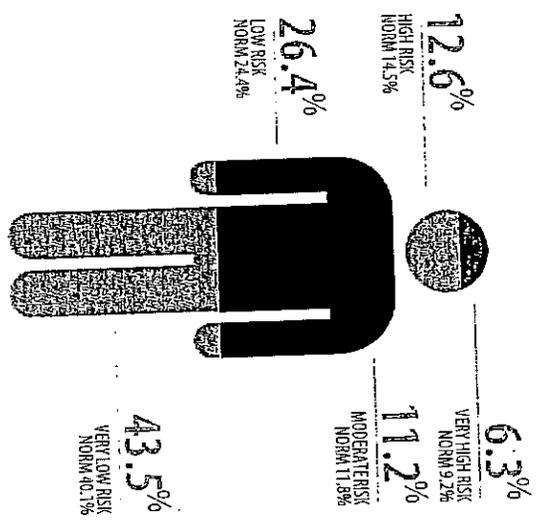
By moving a percentage of lab services from the outpatient setting to a freestanding setting, the average savings can be significant, as shown in the infographic on the left.

# RISK ANALYSIS

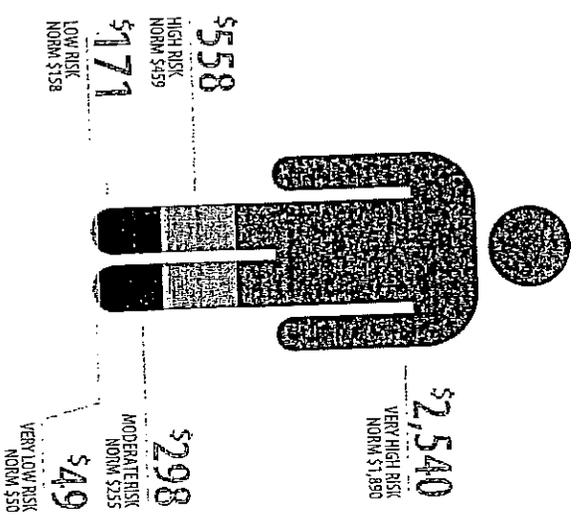
# RISK ANALYSIS POPULATION SEGMENTS

When we look at a population in groups, we attempt to assure that the most appropriate interaction is directed to the right person for the right reason at the right time. Your population has been segmented 2 ways below (by risk & cost and by program activity status). The high risk population increased by 12.0% from the previous 12 months while the cost increased by 1.0.8%. The low risk population increased by 3.3% from the previous 12 months while the cost increased by 1.0%. Program participation is in line with what we see in like customers.

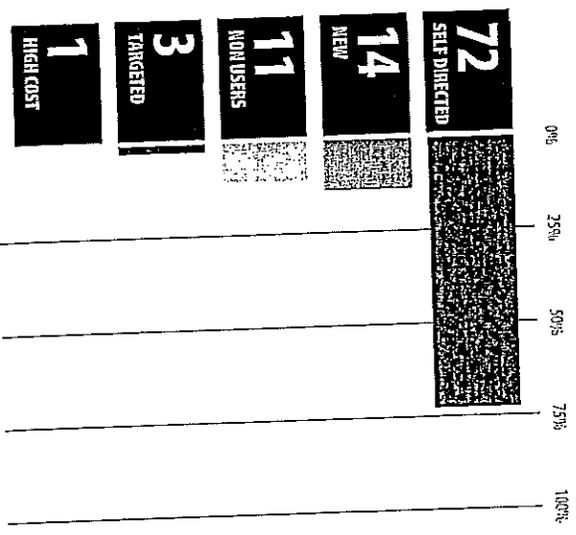
## CLIENT POPULATION



## CLIENT POPULATION PMPM



## POPULATION SEGMENTATION

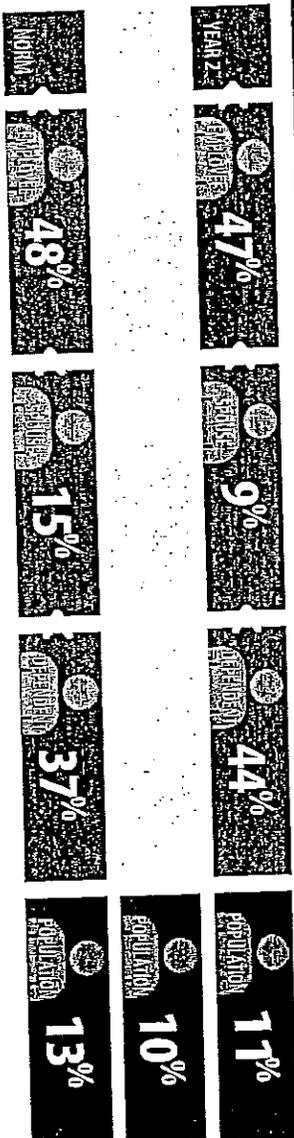


PROSPECTIVE RISK SCORE RANGE: VERY HIGH RISK >=3, HIGH RISK 1.5-2.9, MODERATE RISK 1.0-1.49, LOW RISK 0.5-0.99, VERY LOW RISK <0.49

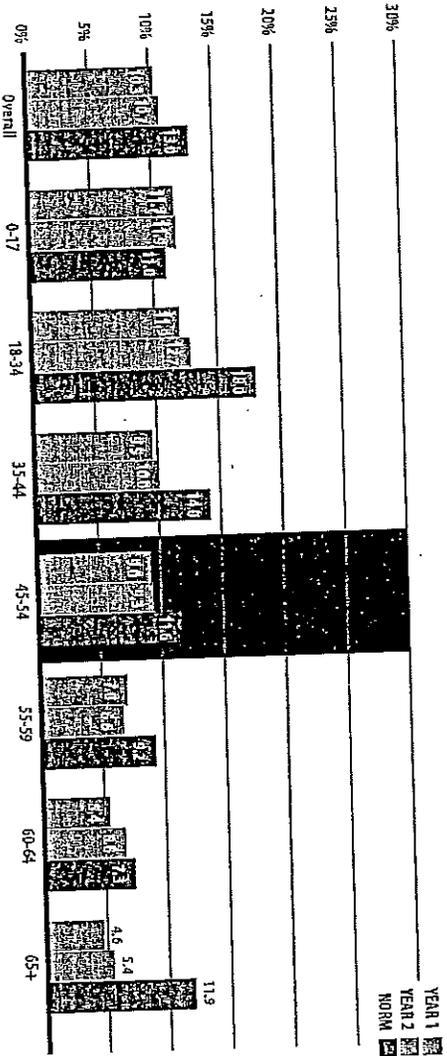
# RISK ANALYSIS NON-USERS DISTRIBUTION

- Non-user rates are important in determining the accuracy of risk trends.
- Non-users represent hidden risk within the population as these members are not utilizing the health care system effectively. The total number of Non-Users in YEAR 2 is 2,624 while the total number of Non-Users in YEAR 1 was 2,394.
- About 1 in 9 members are not seeking medical care.
- About 1 in 9 employees are not seeking medical care.

## MEMBERS NOT INCURRING CLAIMS BY RELATIONSHIP



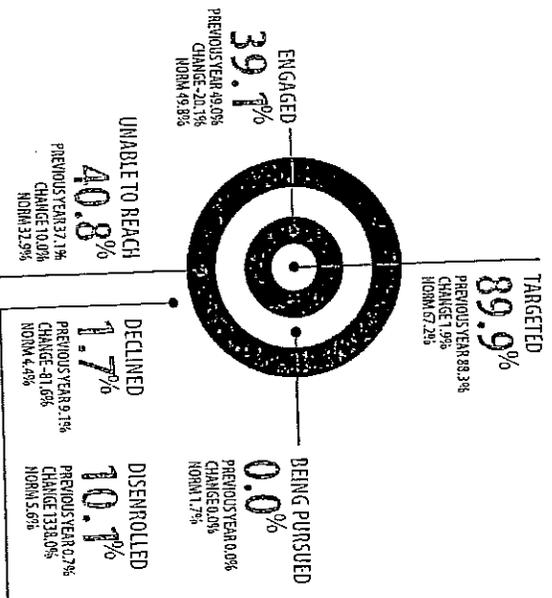
## MEMBERS NOT INCURRING CLAIMS BY AGE RANGE



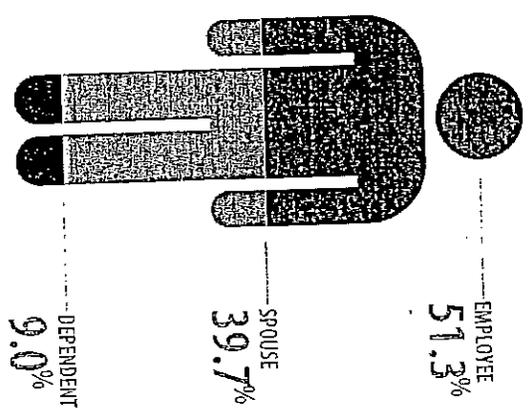
# RISK ANALYSIS HIGH COST MEMBER SNAPSHOT

High cost members, individuals costing >\$50,000 within 12 months, comprised 0.8% (NORM 1.0%) of your population and cost \$22,033,262. This is an increase of \$3,460,815 as well as an increase of 18.6% from the previous year. All high cost members are reviewed for opportunities to assist with coordinating their care and ensuring they are getting the right care in the right place at the right time.

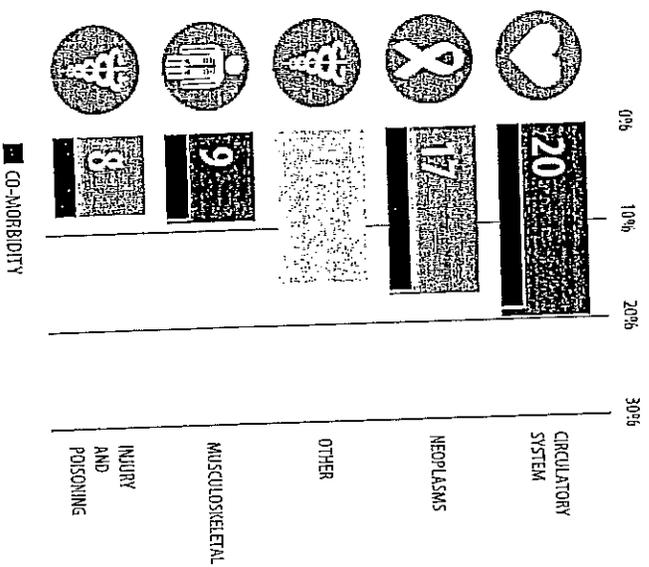
## TARGETED MEMBERS



## RELATIONSHIP



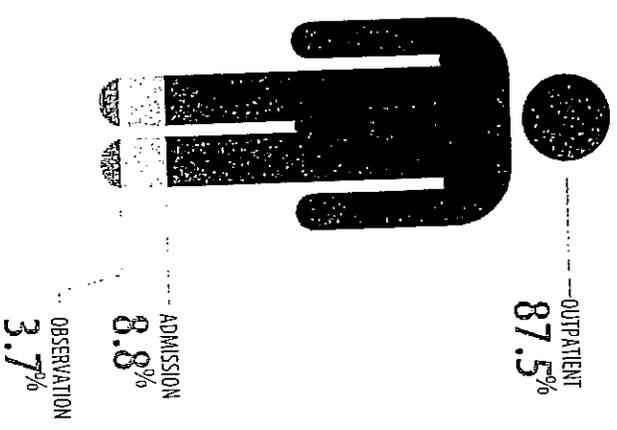
## TOP 5 CONDITIONS



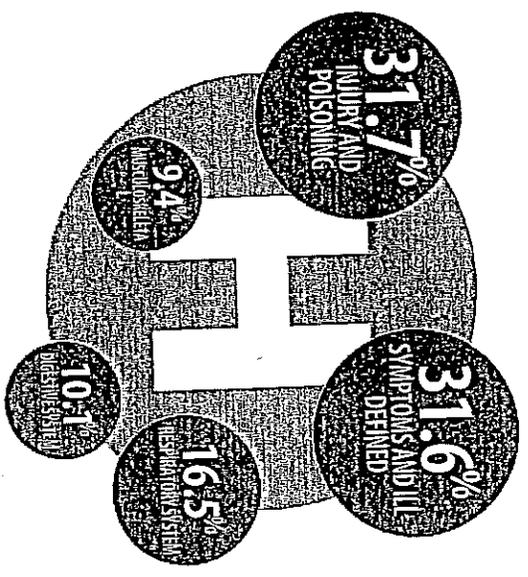
# RISK ANALYSIS EMERGENCY ROOM VISITS

Emergency visit patterns are evaluated to identify opportunities to positively impact utilization trends. In the last 12 months, 3,034 members went to the Emergency Room for a total of 4,544 visits. From YEAR 1 to YEAR 2, members with **Emergency Room** visits increased from 1.6% to 12.4%. During the same period, members with **Urgent Care/Retail Clinic** visits increased from 12.1% to 13.2%. 179 Members who used the emergency room were engaged with a Health Coach.

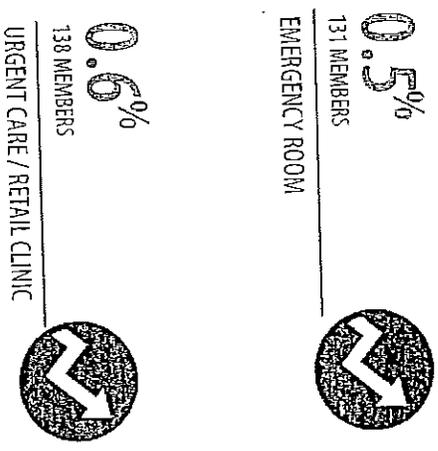
### POSTER



### TOP 5 REASONS



### MEMBERS MAKING MORE THAN 3 VISITS

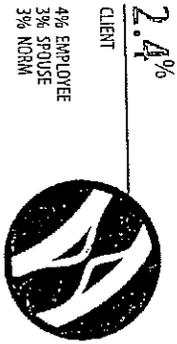


\* OF THE PEOPLE WHO USED THE EMERGENCY ROOM OR URGENT CARE, THE PERCENT OF MEMBERSHIP WHO WENT MORE THAN THREE TIMES.

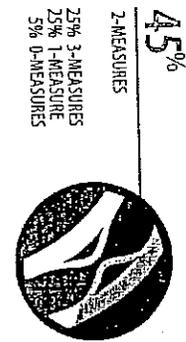
# RISK ANALYSIS HIGH COST HEART DISEASE PROFILE

According to the American Heart Association, the leading cause of death is heart disease but 75% of that risk is modifiable. A total of 746 TRAINING DOCUMENT members have high cost heart disease. This is an increase of 15.1% from the prior year total of 648.

## CAD PREVALENCE



## CAD ADHERENCE

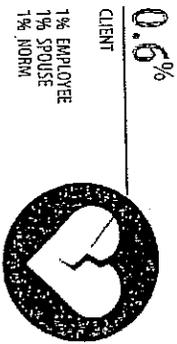


## KEY FACTS

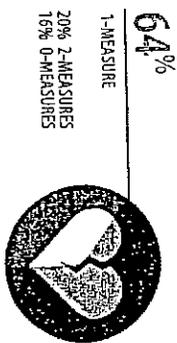
MEASURE	CLIENT
Total Spend	\$1,947,694
Coronary Artery Disease (CAD)	601
More than One Condition	567
High Cost Members > \$50,000	67
Average Prospective Risk Score	5.40 (NORM 6.19)
Targeted for Outreach	157 (26.1%)
Self Directed with Support	5 (0.8%)

50% UNABLE TO REACH  
37% DECLINED  
13% ENGAGED

## CHF PREVALENCE



## CHF ADHERENCE



## KEY FACTS

MEASURE	CLIENT
Total Spend	\$5,166,600
Congestive Heart Failure (CHF)	145
More than One Condition	145
High Cost Members > \$50,000	39
Average Prospective Risk Score	8.95 (NORM 10.66)
Targeted for Outreach	77 (53.1%)
Self Directed with Support	(0.0%)

55% UNABLE TO REACH  
10% DECLINED  
44% ENGAGED

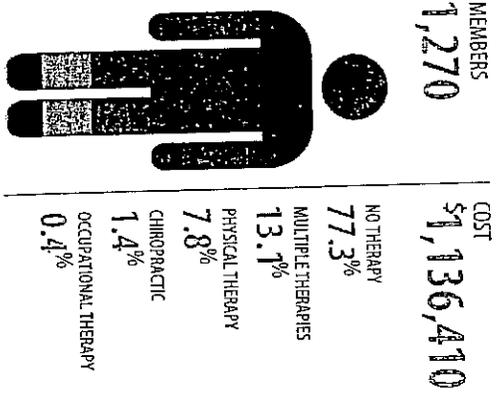
KEY: CAD=CORONARY ARTERY DISEASE CHF=CONGESTIVE HEART FAILURE

\*Measures for CAD include Medication, Lipid Panel, and Office Visits.  
\*Measures for CHF include Medication, and Office Visits.

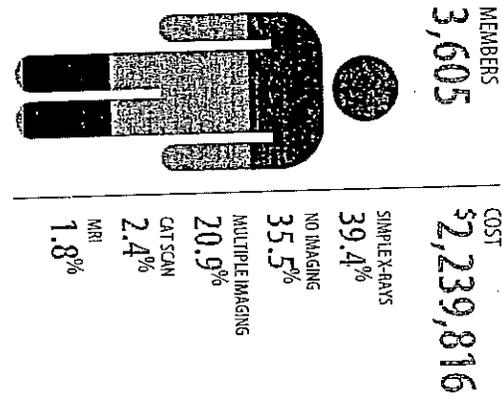
# RISK ANALYSIS MUSCULOSKELETAL PROFILE

\$1 in every \$10 spent for health care in the US is spent for the treatment and care of persons with a musculoskeletal condition (American Academy of Orthopedic Surgeons). A total of 5,589 TURNER INDUSTRIES GROUP LLC members have a musculoskeletal condition. This is an increase of 21.0% from the prior year total of 4,619.

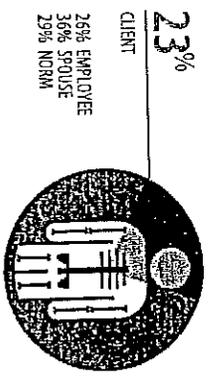
## THERAPY RELATED SERVICES



## IMAGING RELATED SERVICES



## PREVALENCE



## KEY FACTS

MEASURE	CLIENT
Total Spend	\$38,393,623
More Than One Condition	3,297
Related Inpatient Admissions	68
Rehab Post Surgery	154 (3%)
Emergency Room Visits	2,200
Urgent Care Visits	1,854
Average Prospective Risk Score	2.40 (NORM 2.60)
Targeted for Outreach	548 (10%)
Self Directed with Support	58 (1%)

45% UNABLE TO REACH  
10% DEFINED  
10% ENGAGED

NOTE: INPATIENT ADMISSION REPRESENTS ONLY MUSCULOSKELETAL RELATED REASONS FOR ADMISSION.



# RISK ANALYSIS

## ADHERENCE TO PREVENTIVE CARE

PREVENTIVE SERVICE MEASURES	2013	2014	NATIONAL NORM
Colorectal Cancer Screening	48.3%	49.0%	55.1%
Breast Cancer Screening (Mammogram)	55.6%	57.1%	61.5%
Cervical Cancer Screening (Pap Test)	61.6%	60.4%	65.7%
Preventive Physical Exam	13.6%	14.7%	21.0%
Prostate Cancer Screening	40.4%	38.7%	37.0%

# RISK ANALYSIS POPULATION CONDITION PREVALENCE

There are 7,085 unique members with one or more chronic conditions.

	TOTAL POPULATION MEMBERS (NORM)	EMPLOYEES MEMBERS	SPOUSES MEMBERS	MEMBERS MEMBERS
<b>1</b> Musculoskeletal Pain	21.7%	2.9%	3.1%	1.5%
Neuromuscular Disease	2.7%	0.0%	3.3%	0.3%
Obesity	6.6%	20.4%	10.3%	0.2%
Osteoporosis	0.5%	3.7%	0.2%	0.1%
Stroke	0.8%	0.9%	2.0%	0.1%
<b>2</b> Behavioral Health	14.4%	1.5%	0.1%	0.1%
Coronary Artery Disease	2.6%	6.6%	0.9%	0.1%
Cancer	6.0%	0.9%	0.9%	0.1%
Congestive Heart Disease	0.6%	11.7%	16.9%	2.5%
Chronic Kidney Disease	0.6%	1.0%	0.1%	0.1%
Other Complex Condition	8.6%	9.6%	2.3%	0.1%
Chronic Obstructive Pulmonary Disease	1.1%	1.5%	8.7%	1.9%
Depression	3.9%	3.3%	8.1%	0.5%
Diabetes	4.8%	6.8%	0.7%	0.2%
Gerd/Peptic Ulcer Disease	0.4%	0.5%	20.7%	0.6%
<b>3</b> High Blood Pressure	14.3%	22.2%	4.2%	0.3%
Heart Disease	2.9%	4.3%	15.4%	0.3%
High Cholesterol	10.2%	15.7%	3.1%	0.5%
<b>5</b> High Risk Pregnancy	0.9%	0.2%	0.6%	0.1%
Inflammatory Bowel Disease	0.3%	0.3%	0.5%	0.1%
Joint Replacement	0.2%	0.2%	4.1%	0.9%
Migraine	1.7%	1.2%	0.3%	0.0%
Multiple Sclerosis	0.1%	0.0%	0.3%	0.0%
<b>4</b> Back Pain	11.0%	23.1%	29.8%	15.2%
Asthma	2.4%	1.5%	6.3%	0.5%

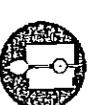
## KEY FINDINGS



**MUSCULOSKELETAL PAIN**  
INSERT COMMENT(S) HERE



**BEHAVIORAL HEALTH**  
INSERT COMMENT(S) HERE



**HIGH BLOOD PRESSURE**  
INSERT COMMENT(S) HERE



**BACK PAIN**  
INSERT COMMENT(S) HERE

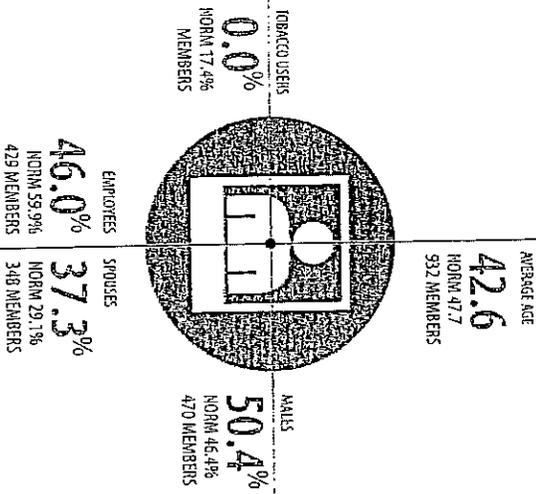


**HIGH CHOLESTEROL**  
INSERT COMMENT(S) HERE

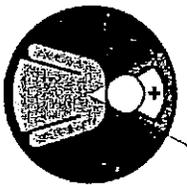
# RISK ANALYSIS TARGETED POPULATION

Population Health Management is an integrated and proactive approach to health management that involves members at every single stage of their health and that effectively manages the client's cost. Health Coaching helps your members make better decisions about their health care, providing resources and support to help them stay well, get well, or successfully manage a condition. For your population, 7.6% (932) of the population was identified for outreach based on the risk score. **We reached 4.0% (489) and engaged 2.9% (362) of the adult population.**

## MEMBER PROFILE



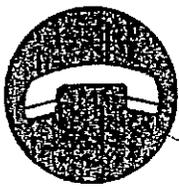
## TOP 5 CONDITIONS



**85%**  
 OF HEALTH COACH CALLS ARE RELATED TO THESE CONDITIONS:

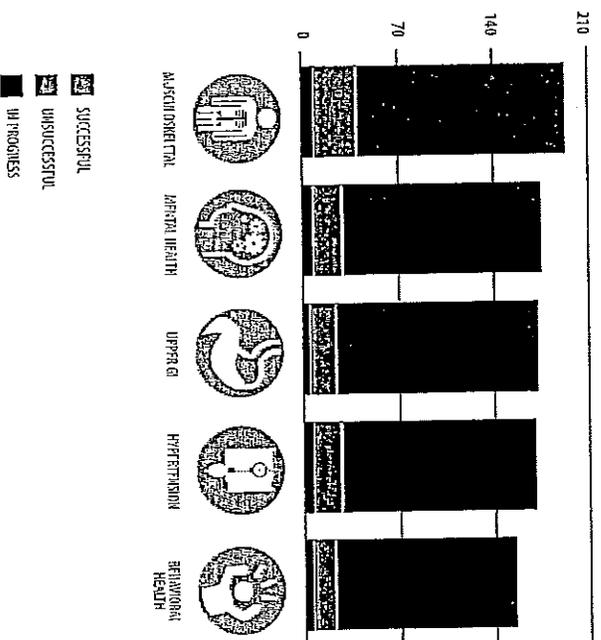
- MUSCULOSKELETAL (466)
- MENTAL HEALTH (446)
- GASTROINTESTINAL (438)
- HIGH BLOOD PRESSURE (432)
- BEHAVIORAL HEALTH (412)

## TARGETED INTERVENTIONS



AVERAGE INTERVENTIONS PER MEMBER (2.7)  
 AVERAGE INTERVENTIONS PER ENGAGED MEMBER (4.3)  
 HEALTH COACHING (352)  
 WELLNESS COACHING (1)

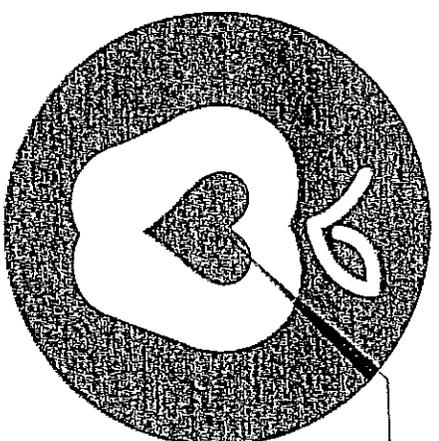
## ENGAGEMENT STATUS



# RISK ANALYSIS WELLNESS PROGRAMS

Resources/programs available to assist members in managing conditions and lifestyle behaviors that they may have or be at increased risk. Modalities include onsite, telephonic, online and self-study. **The Wellness Profile is pivotal to a successful overall wellness program. It may benefit the organization by helping to establish a culture of wellness in which members participate in programs and adopt positive choices that foster a healthy lifestyle.** It benefits the organization in establishing a culture of wellness for the adoption of programs and lifestyle choices which ultimately benefit the health of the client's members. Wellness participation is limited with many opportunities for improvement.

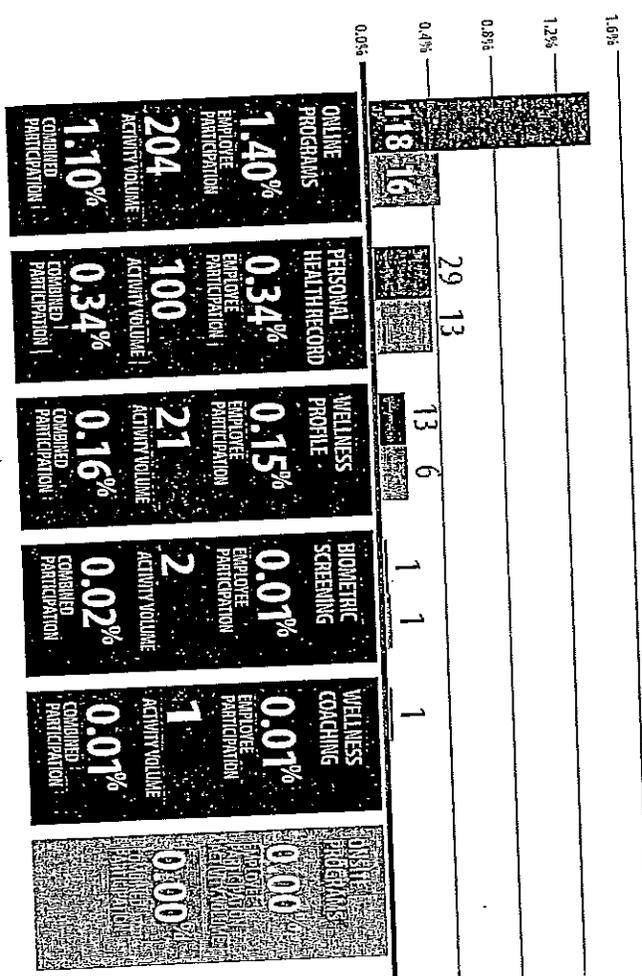
## TOTAL PARTICIPATION



1.3%

- MEMBER PARTICIPATION 156
- 0.16% WEIGHT MANAGEMENT (19)
- 0.13% NUTRITION (16)
- 0.09% TOBACCO (12)
- 0.12% PHYSICAL ACTIVITY (15)
- 0.08% STRESS MANAGEMENT (10)
- 0.10% DEPRESSION/EMOTIONAL (12)
- 0.02% BIOMETRIC SCREENING (2)
- 0.16% WELLNESS PROFILES (19)

## PARTICIPATION BY PROGRAM



In addition to these programs, 6 members participated in Baby Blue Prints, 107 members made an inbound call, and no members contacted Teladoc.

Employee  
Spouse  
\*Total Member

NOTES

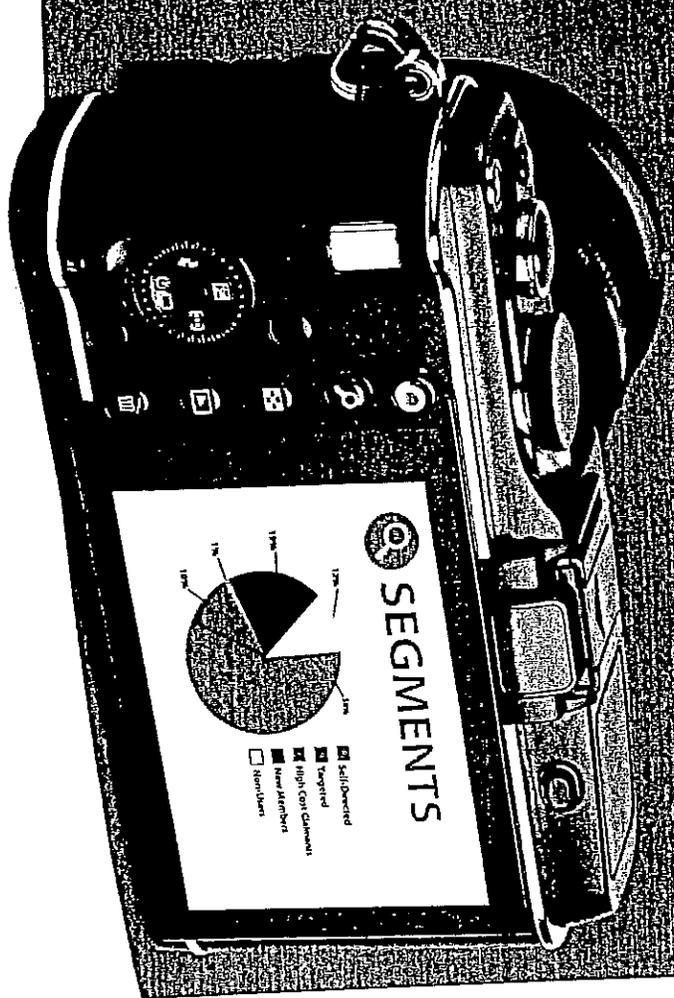


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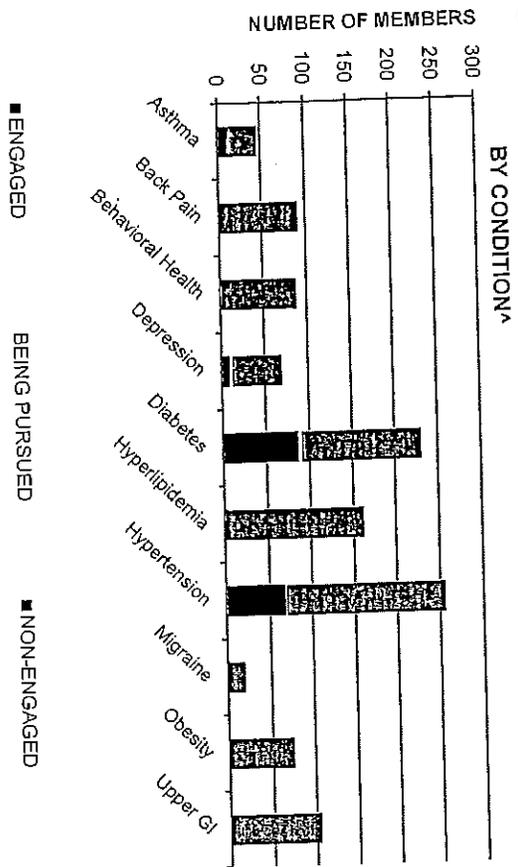
/

# HEALTH PERFORMANCE SOLUTIONS SAMPLE

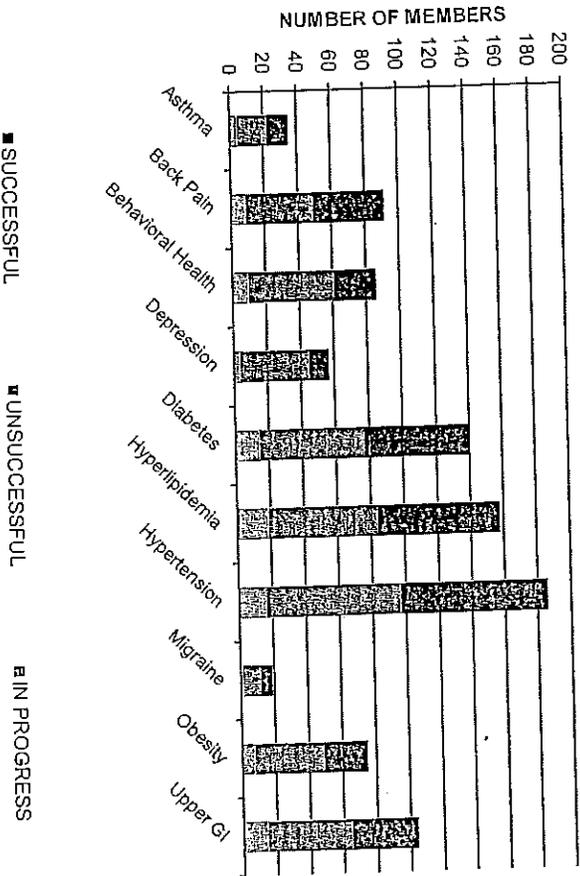
## OPERATIONAL DASHBOARD



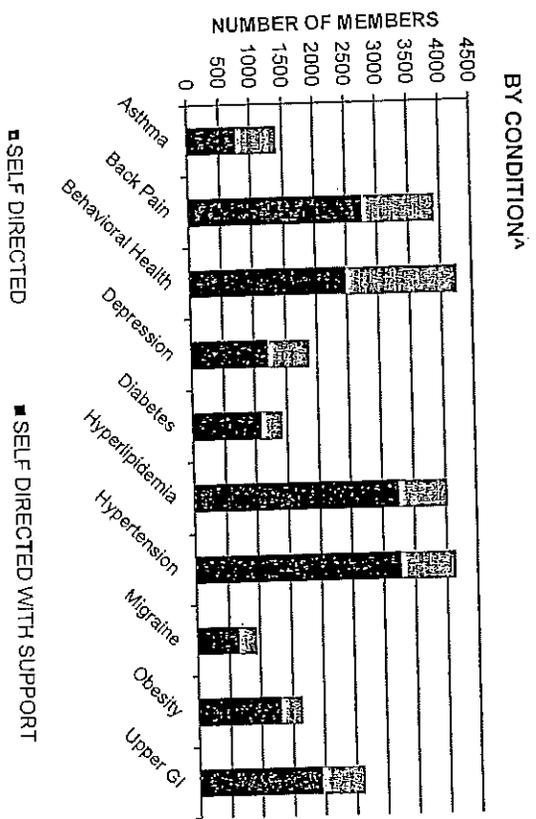
### 3 TARGETED POPULATION



### ENGAGED MEMBERS - PROGRESS TOWARDS GOALS



### 4 SELF-DIRECTED POPULATION



### WELLNESS PROGRAM PARTICIPATION

ACTIVITY TYPE	ACTIVITY VOLUME	MEMBERS	PARTICIPATION RATES FOR EMPLOYEES & SPOUSES
BIOMETRIC SCREENING	10,213	10,209	58.6%
ONLINE PROGRAMS	4,380	1,951	11.2%
ONSITE PROGRAMS	0	0	<1%
PERSONAL HEALTH RECORD	22,008	13,946	80.1%
WELLNESS COACHING	1,405	1,350	7.8%
WELLNESS PROFILE	14,881	13,896	79.8%
TELADOC	298	244	N/A
BABY BLUE PRINT	31	31	N/A
INBOUND CALL ACTIVITY	1,926	1,654	N/A

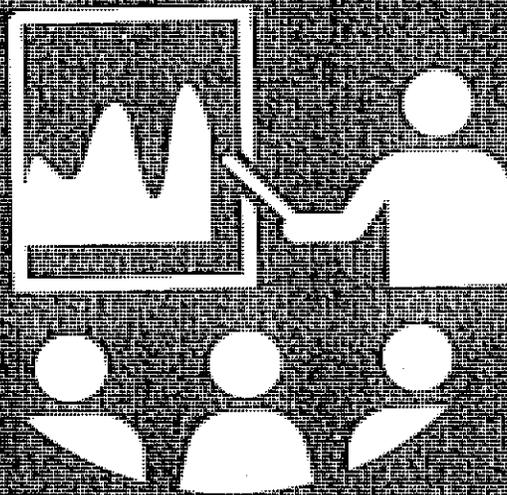
^ TOP 10 CONDITIONS ONLY; OUTREACH INCLUDES 30+ CONDITIONS



# POPULATION HEALTH MANAGEMENT

CLIENT NAME

## CLINICAL EXECUTIVE SUMMARY



Claims Paid January 2014 thru December 2014 and paid through Feb 01, 2015  
Claims Paid January 2015 thru December 2015 and paid through Feb 01, 2016

# CLIENT NAME

## DEMOGRAPHICS

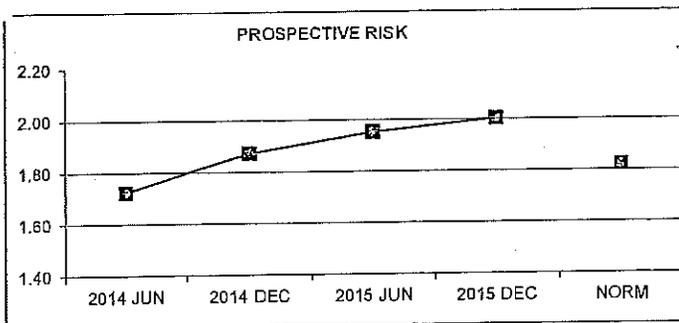
Average Membership	<b>338</b>	Members per contract	<b>1.3</b>
2015 Average Age	<b>44.7</b>	Market Norm Average Age	<b>34.9</b>
Male Contracts	<b>20%</b>	Female Contracts	<b>80%</b>
Male Members	<b>32%</b>	Female Members	<b>68%</b>



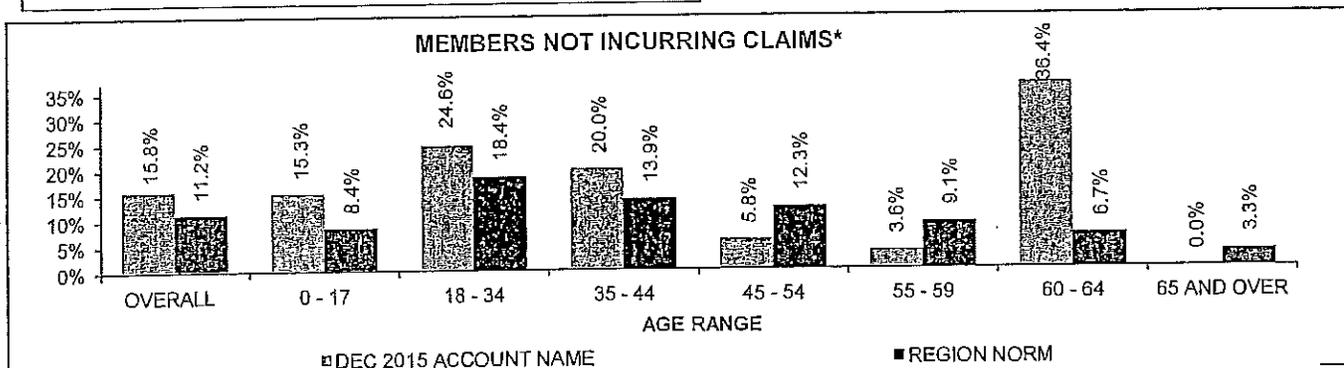
## RISK FACTS

Healthcare costs are a direct reflection of risk. Risk is further complicated by lifestyle choice. A risk score measures the health status and expected utilization of a population. Below, the prospective risk score reflects the burden of chronic conditions in your population. The greater your prevalence of chronic health conditions, the higher your prospective risk. Statistically, 0.8 is a healthy norm. A book of business market norm tends to trend at an even higher rate.

Non-User rates are important in determining how accurate the risk scores are for your population. Non-users are the members who have not generated claims in the past 12 months and represent hidden risk in your population. A non-user rate of <10% is optimal. In the table and graph below, your non-user rates are shown by age and relationship as compared to the market norm. As age increases, lifestyle risk behaviors are more impactful; therefore, it is particularly important to note the non-user rates for age



NON-USER BY RELATIONSHIP		
RELATIONSHIP	CLIENT	NORM
Employee	X.X%	X.X%
Spouse	X.X%	X.X%
Dependent	X.X%	X.X%



\* A Member can only be classified as a non-user if they have been eligible for 9 or more months in the measurement period.

55% of healthcare spending is for members age 45 and over.

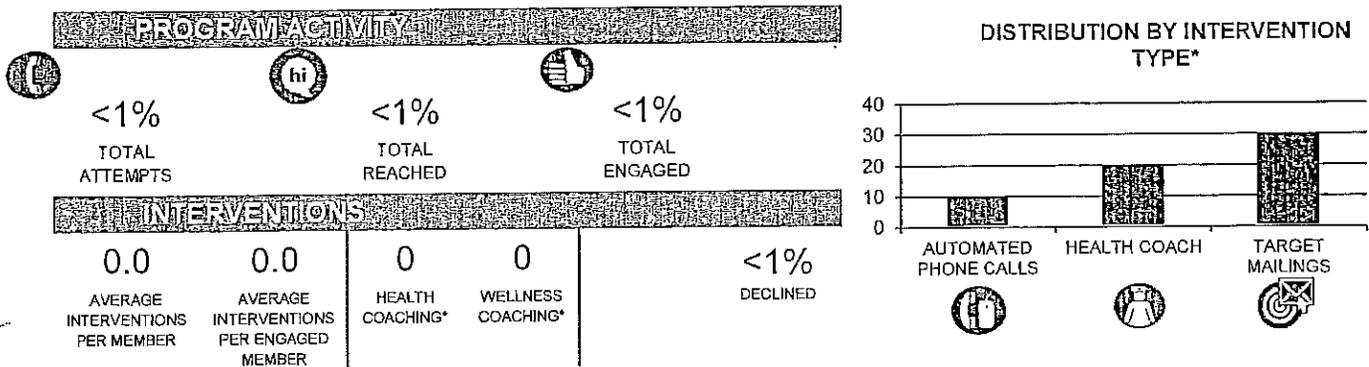
# CLIENT NAME



## PARTICIPATION

Health Performance Solutions is a comprehensive strategy focused on impacting lifestyle behaviors and encouraging treatment compliance. Our multi-faceted approach to health care management includes interventions—telephonic health coaching, online lifestyle management programs and employer sponsored programs—to address the health challenges of your population. It addresses members at every stage of health and helps manage costs at every phase of care. Our risk and stratification process also helps us to determine the most appropriate outreach method whether that be Health & Wellness Coaching, automated phone calls or mailings.

Regardless of their risk level, Health Performance Solutions helps your members make better decisions about their health care, providing resources and support to help them stay well, get well or manage a



## RECOMMENDATIONS TO BUILD PARTICIPATION

Increasing member engagement is key to the success of your health promotion efforts. We partner with clients to develop data-driven strategies that promote improving member health and reducing risk through behavior change. To facilitate success, we recommend:

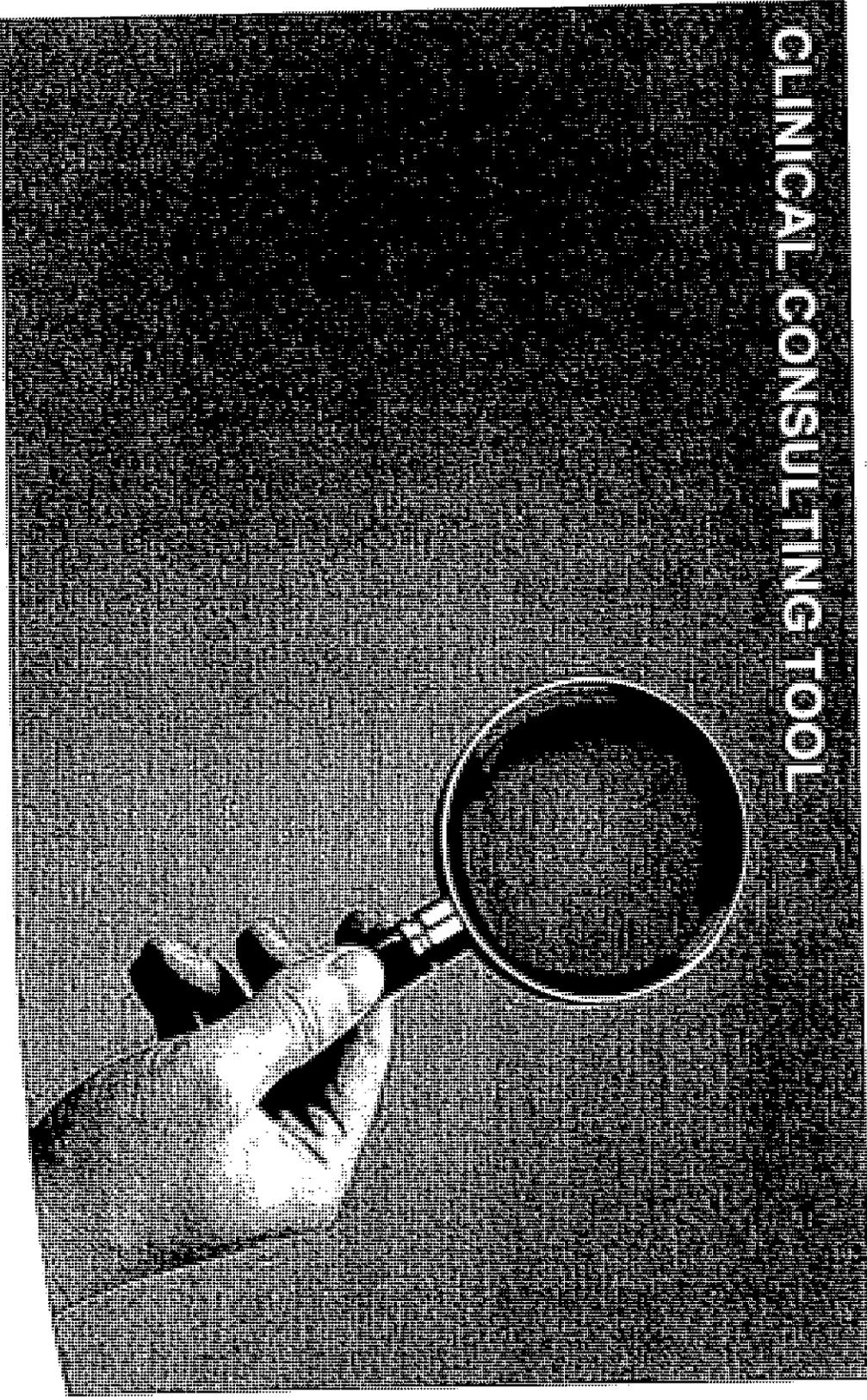
- Work with designated Client Advisor to develop a wellness strategy based on opportunities identified in data trends.
- Develop and implement communication strategies and incentive plans.
- Advocate website registration.
- Promote participation in core programs and services
  - Wellness Profiles can identify individual and aggregate lifestyle related risk factors
  - Telephonic nurse Health Coach can provide personal attention and specific guidance to members via telephone on successfully meeting goals to manage conditions effectively
  - Online and worksite wellness tools and programs powered by WebMD® can support members to improve their lifestyle, adhere to preventive care guidelines or manage a specific health condition
- Support age appropriate preventive health screenings.

1  
E

# HEALTH PERFORMANCE SOLUTIONS

CLIENT NAME - STANDARD MODEL

## CLINICAL CONSULTING TOOL



G

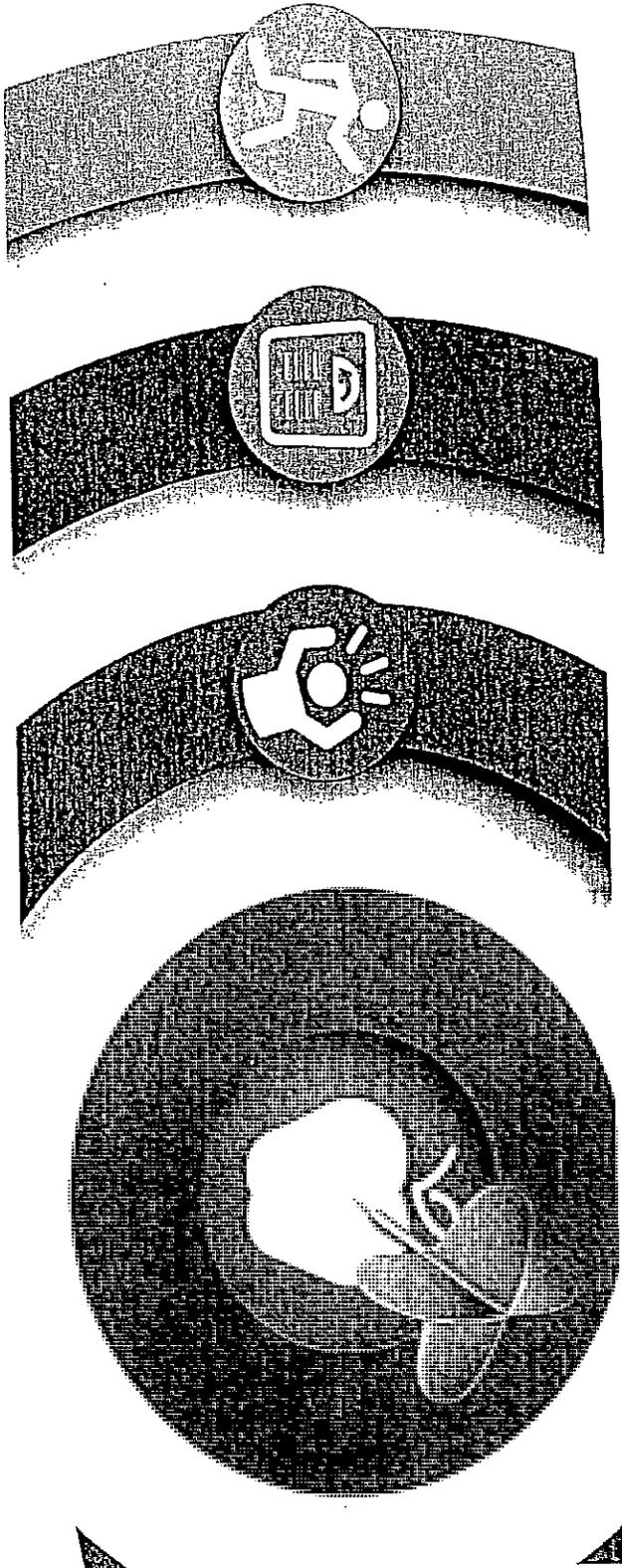
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# HCALTH PERFORMANCE SOLUTIONS

SAMPLE CLIENT

09/01/2015-10/27/2015

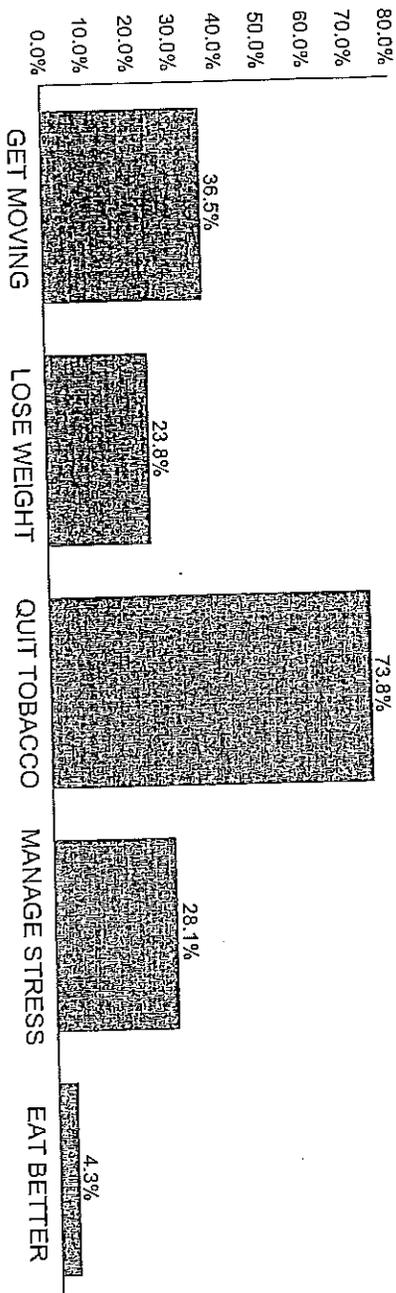
## WELLNESS PROFILE AGGREGATE REPORT



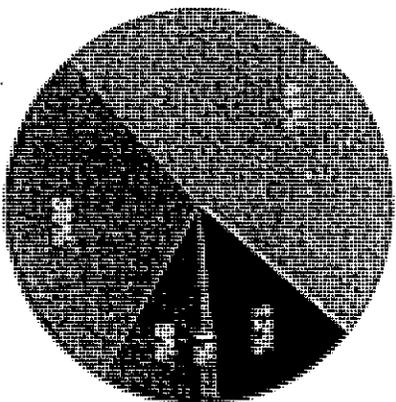


SUMMARY

MEETING GUIDELINES

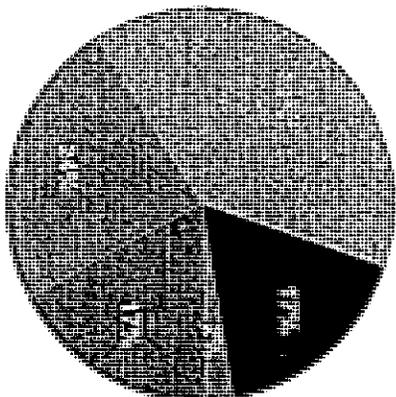


HOW WOULD YOU RATE YOUR OVERALL HEALTH?



- EXCELLENT
- VERY GOOD
- GOOD
- FAIR
- POOR

HOW CONFIDENT ARE YOU THAT YOU CAN MAKE HEALTHY CHANGES?



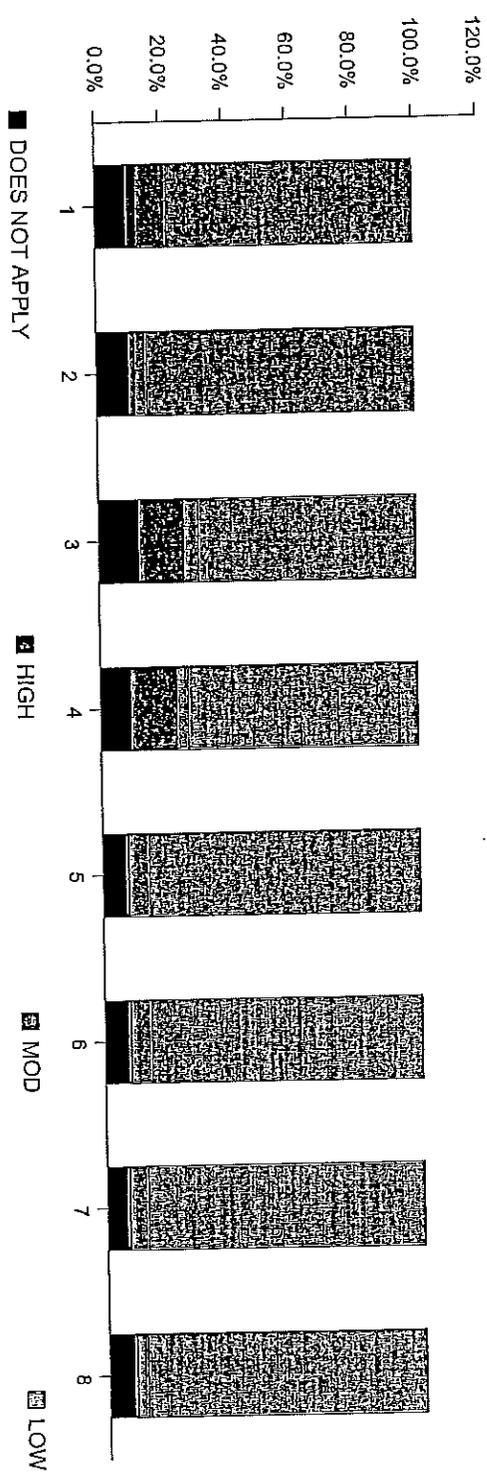
- EXTREMELY CONFIDENT
- VERY CONFIDENT
- CONFIDENT
- SOMEWHAT CONFIDENT
- NOT AT ALL CONFIDENT

SAMPLE CLIENT

09/01/2015 - 10/27/2015



PRODUCTIVITY/RISK



RISK LEVEL IS DEFINED BY PARTICIPANTS ANSWERING DURING THE PAST 2 WEEKS THE DEGREE OF DIFFICULTY IN :

1. STARTING THE WORKDAY
2. STARTING WORK, ONCE AT WORK
3. STAYING IN ONE POSITION
4. REPETITIVE MOVEMENT
5. CONCENTRATING AT WORK
6. INTERACTING WITH PEOPLE
7. HANDLING WORKLOAD
8. FINISHING WORK ON TIME

	CLIENT	INDUSTRY	HEALTH PLAN
AVERAGE # MISSED DAYS DUE TO ILLNESS OR INJURY	.87	.55	.52
PERCENTAGE OF WORK PERFORMANCE AFFECTED BY AN UNDERLYING HEALTH CONDITION	4 %	3 %	3 %

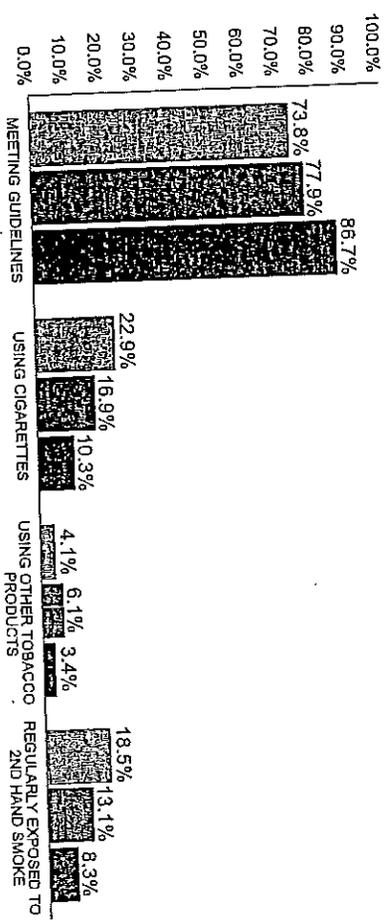
SAMPLE CLIENT

09/01/2015 - 10/27/2015



QUIT TOBACCO

TOBACCO USE-RELATED RISK FACTORS



TOBACCO READINESS TO CHANGE



- PRE-CONTEMPLATION
- CONTEMPLATION
- PREPARATION
- ACTION
- MAINTENANCE

QUIT TOBACCO RISK FACTORS

HOW LONG AGO DID YOU QUIT SMOKING CIGARETTES?

Time Period	Client	Industry	Health Plan
LESS THAN 6 MONTHS	2.1%	2.3%	2.0%
SIX MONTHS TO LESS THAN ONE YEAR AGO	1.7%	2.1%	1.7%
12 MONTHS TO LESS THAN 10 YEARS	8.3%	9.4%	8.8%
10 YEARS OR LONGER	11.9%	11.8%	11.2%

HOW LONG HAS IT BEEN SINCE YOU LAST USED ANY OTHER FORM OF TOBACCO?

Time Period	Client	Industry	Health Plan
LESS THAN 6 MONTHS	1.4%	1.5%	1.1%
SIX MONTHS TO LESS THAN ONE YEAR AGO	0.9%	1.0%	0.8%
12 MONTHS TO LESS THAN 10 YEARS	2.0%	2.6%	2.4%
10 YEARS OR LONGER	1.7%	1.7%	1.7%

HOW MANY CIGARETTES DO YOU TYPICALLY SMOKE PER DAY?

Smoking Level	Client	Industry	Health Plan
LESS THAN 10 PER DAY	11.2%	12.7%	12.1%
10-19 PER DAY	8.6%	9.1%	8.2%
20-39 PER DAY	3.7%	3.5%	3.0%
40 OR MORE PER DAY	0.5%	0.4%	0.3%

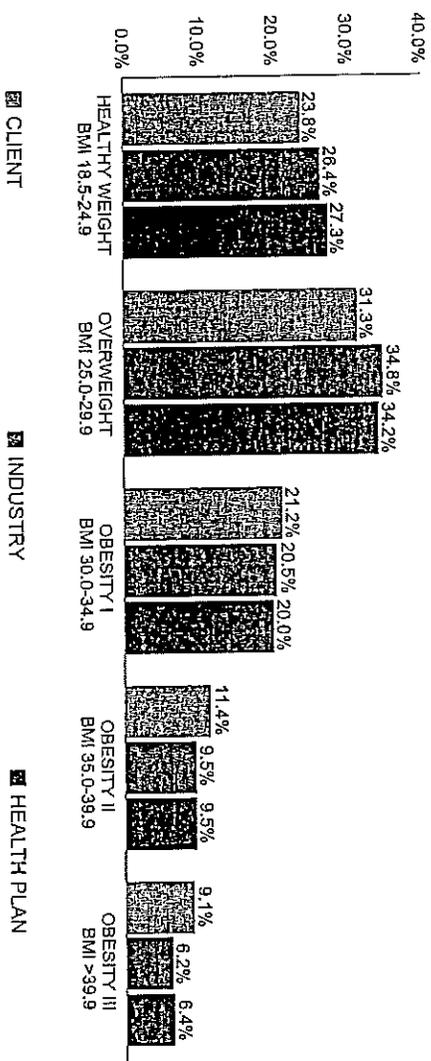
**0.0%** % MEETING NEGATIVE COTININE TEST

**37** PARTICIPATING IN TOBACCO CESSATION PROGRAMS

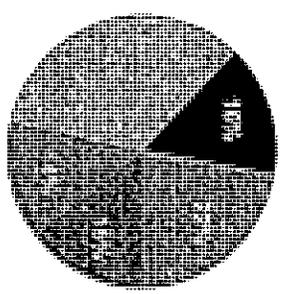


**LOSE WEIGHT**

**WEIGHT-RELATED RISK FACTORS**



**WEIGHT READINESS TO CHANGE**



- PRE-CONTEMPLATION
- CONTEMPLATION
- PREPARATION
- ACTION
- MAINTENANCE

**NORMAL RANGE WAIST CIRCUMFERENCE**

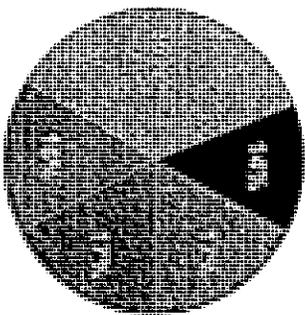
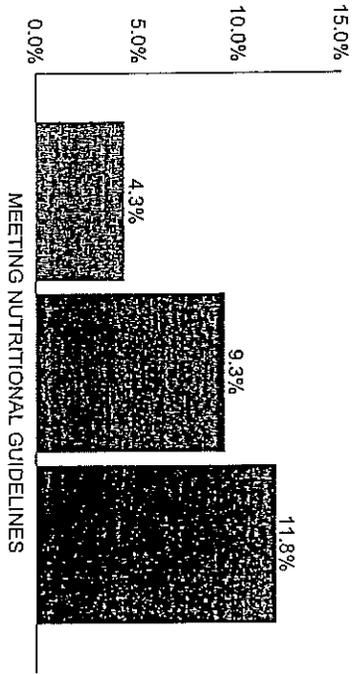
	CLIENT	INDUSTRY	HEALTH PLAN
FEMALE - WAIST CIRCUMFERENCE	26.9%	30.0%	30.9%
MALE - WAIST CIRCUMFERENCE	32.9%	36.7%	33.0%

**39**

PARTICIPATING IN WEIGHT MANAGEMENT PROGRAMS



**EAT BETTER**



**NUTRITION RISK FACTORS**

FRUIT AND VEGETABLE CONSUMPTION	CLIENT	INDUSTRY	HEALTH PLAN
NONE	2.2%	1.2%	0.9%
1 - 2 SERVINGS	46.1%	35.0%	29.8%
3 - 4 SERVINGS	39.1%	43.2%	43.9%
5 - 6 SERVINGS	9.9%	16.2%	19.4%
7 - 8 SERVINGS	1.9%	3.4%	4.5%
9 OR MORE	0.7%	1.0%	1.5%

UNHEALTHY FOOD CONSUMPTION	CLIENT	INDUSTRY	HEALTH PLAN
0 SERVINGS PER DAY	8.3%	9.3%	9.3%
1 SERVING PER DAY	35.4%	42.8%	43.0%
2 SERVINGS PER DAY	35.6%	32.9%	32.9%
3 SERVINGS PER DAY	15.3%	11.6%	11.3%
4 SERVINGS PER DAY	3.1%	2.4%	2.4%
5 PLUS SERVINGS PER DAY	2.2%	1.1%	1.2%

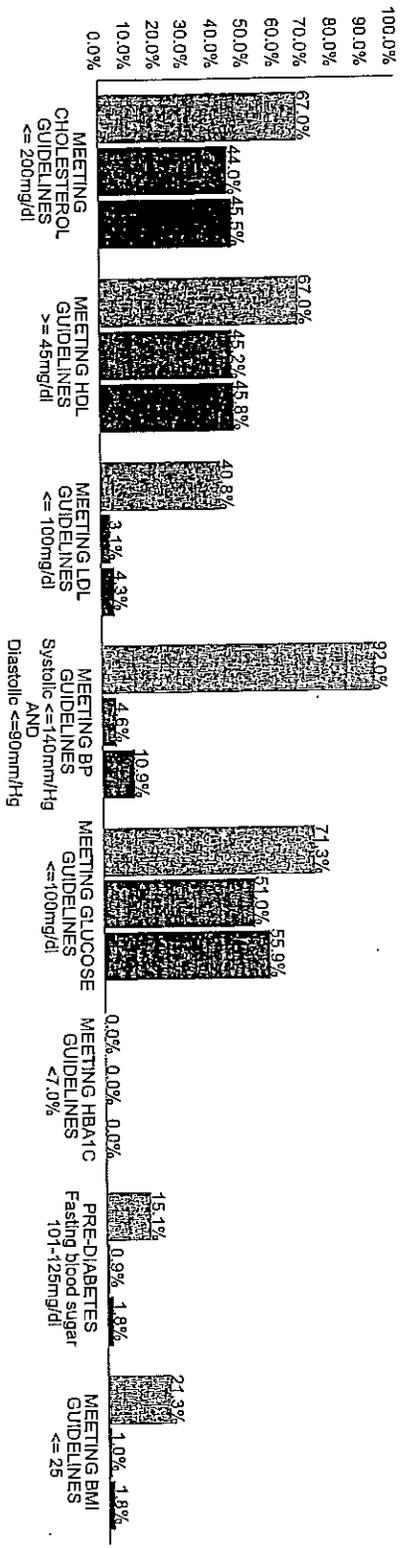
SUGARY DRINK CONSUMPTION	CLIENT	INDUSTRY	HEALTH PLAN
0 SERVINGS PER DAY	31.0%	40.7%	44.8%
1 SERVING PER DAY	31.6%	31.8%	32.3%
2 SERVINGS PER DAY	21.0%	16.9%	14.8%
3 SERVINGS PER DAY	10.3%	6.7%	5.3%
4 SERVINGS PER DAY	3.4%	2.5%	1.8%
5 PLUS SERVINGS PER DAY	2.7%	1.4%	1.2%

**30**  
PARTICIPATING IN  
NUTRITION PROGRAMS



LIVEWELL

PROFESSIONALLY SOURCED BIOMETRIC DATA



MEETING GUIDELINES

PERCENTAGE OF PARTICIPANTS WHO ARE MEETING:

CLIENT	INDUSTRY	HEALTH PLAN
6 GUIDELINES	6.2%	0.3%
5 GUIDELINES	17.2%	0.9%
4 GUIDELINES	27.8%	1.9%
3 GUIDELINES	32.8%	16.3%
2 GUIDELINES	11.2%	26.9%
1 GUIDELINE	4.4%	32.5%
0 GUIDELINES	0.5%	21.3%

\* % of participants who are meeting guidelines does not include HbA1c and pre-diabetes

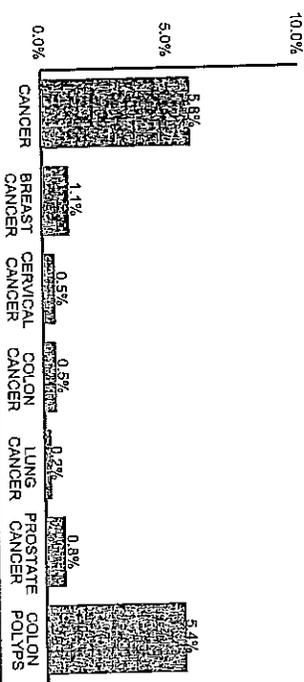
SAMPLE CLIENT

09/01/2015 - 10/27/2015

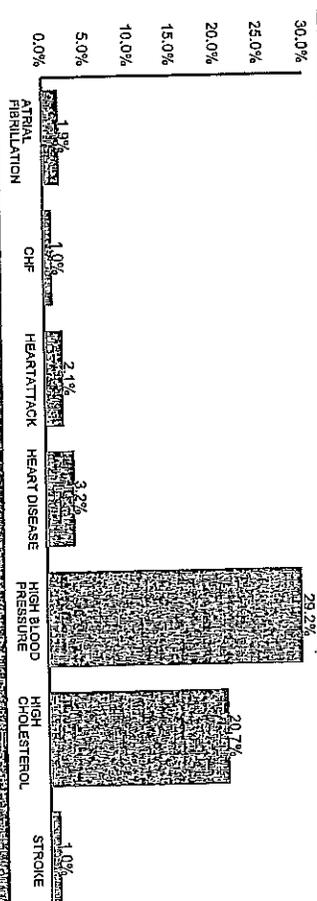


SELF-REPORTED CONDITION PREVALENCE

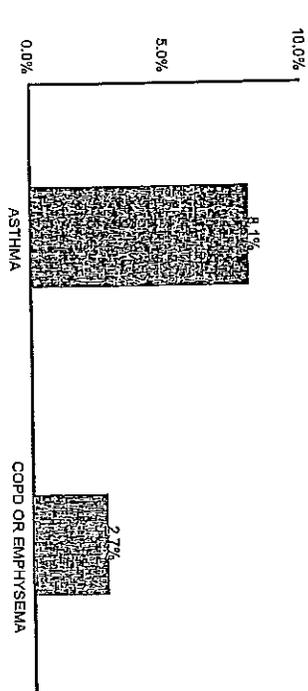
CANCER/PRE-CANCER



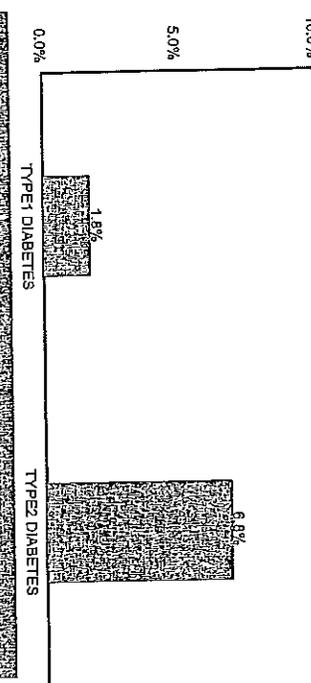
CARDIOVASCULAR



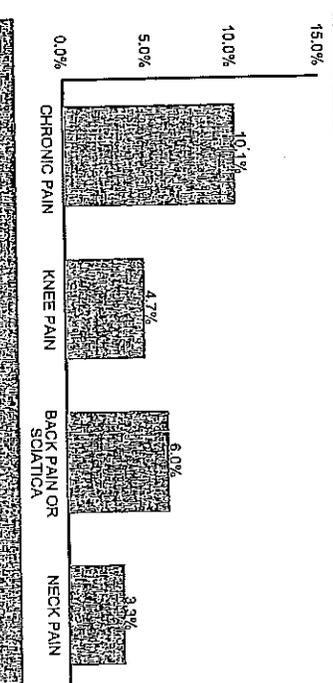
RESPIRATORY



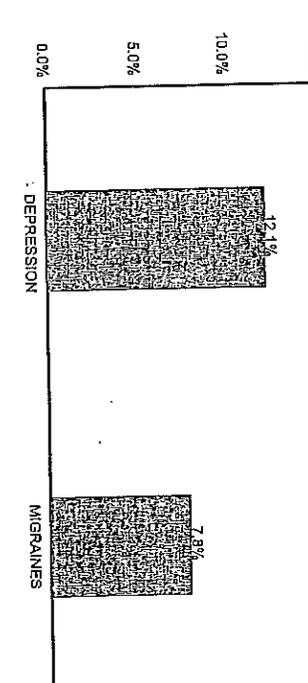
DIABETES



MUSCULOSKELETAL



OTHER



**Appendix**

**Matched Participant:** Eligible individuals who were included in the T1 period and who were also included in the T2 period; excludes individuals who were in T1 period or T2 period but not both.

**Satisfaction Rate:** The % satisfied with the survey is based on the response of those that agree or strongly agree that the wellness profile was simple to complete, easy to understand and helped to think about their health.

**Lifestyle Score:** The lifestyle score is calculated for each individual completing the wellness profile. The score ranges from 1 to 100 (the higher the score the better) and is a measure of overall health based on both behavioral risk factors and self reported existing conditions.

**Lifestyle Risk Rate:** These represent the average per person count of modifiable risks including alcohol use, blood pressure, blood sugar, cholesterol, emotional health, exercise, nutrition, prevention compliance, sleep, stress, tobacco use, and BMI.

**Readiness to Change:** The Stages of Change Model provides a framework for explaining behavior change. This model is useful in tailoring wellness interventions by using specific approaches for each stage. The goal is to move an individual along the Stages of Change Continuum toward permanent change.

**Industry:** Based on the NAIC code and group associated with the company. For classifying a company into an "Industry" the report considers the first 2 digits of the NAIC code to represent the Industry, NAICS codes are numbers that indicate a company's primary line of business. (Only found in the Wellness Profile Aggregate Report; not in the Comparative Report).

**Productivity:** The Work Limitations Questionnaire (WLQ), embedded into the Wellness Profile, measures the degree to which individuals are experiencing limitations on the job due to health problems and health-related productivity loss. The WLQ questions ask individuals to rate their level of difficulty or ability to perform specific job demands. Questions referenced in this report correspond to the below:

Q1: In the past 2 weeks, how much of the time did your physical health or emotional problems make it difficult for you to get going easily at the beginning of the workday?

Q2: In the past 2 weeks, how much of the time did your physical health or emotional problems make it difficult for you to start on your job as soon as you arrived at work?

Q3: In the past 2 weeks, how much of the time were you able to sit, stand, or stay in one position for longer than 15 minutes while working, without difficulty caused by physical health or emotional problems?

Q4: In the past 2 weeks, how much of the time were you able to repeat the same motions over and over again while working, without difficulty caused by physical health or emotional problems?

Q5: In the past 2 weeks, how much of the time did your physical health or emotional problems make it difficult for you to concentrate on your work?

Q6: In the past 2 weeks, how much of the time did your physical health or emotional problems make it difficult for you to speak with people in-person, in meetings or on the phone?

Q7: In the past 2 weeks, how much of the time did your physical health or emotional problems make it difficult for you to handle the workload?

Q8: In the past 2 weeks, how much of the time did your physical health or emotional problems make it difficult for you to finish the work on time?

**Race, Ethnicity and Language:** The "n" notated on this page represents the number of participants that answered the race, ethnicity and language questions. This number may differ from the total wellness participants as these are not required questions. This information provides an overall demographic summary of your population that is integrated into the Health Architect to help better understand and recommend cultural differences that could impact population health management plans.

**Build a Culture:** The Culture Architect is an interactive measurement of a client's culture across four essential categories:

- Organizational Commitment
- Supportive Environment
- Healthy Infrastructure
- Execution and Evaluation

H

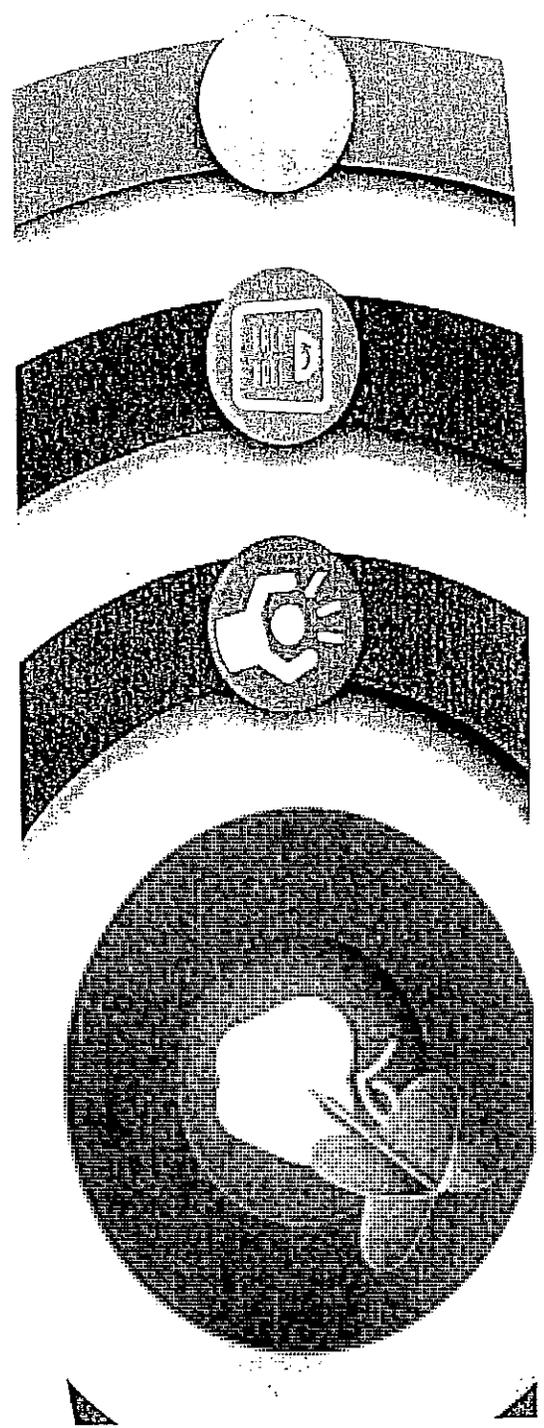
# HEALTH PERFORMANCE SOLUTIONS

SAMPLE REPORT

PERIOD 1: 01/01/2013 - 12/31/2013

PERIOD 2: 01/01/2014 - 12/31/2014

## WELLNESS PROFILE COMPARATIVE REPORT



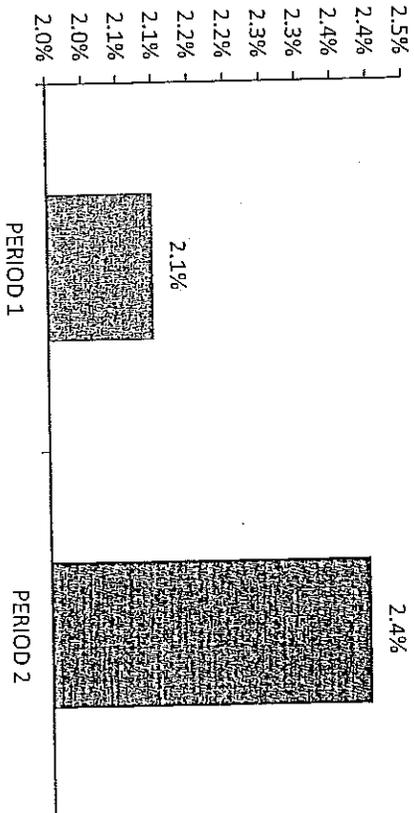
**CLIENT NAME**

**PERIOD 1: MM/DD/YYYY-MM/DD/YYYY**  
**PERIOD 2: MM/DD/YYYY-MM/DD/YYYY**

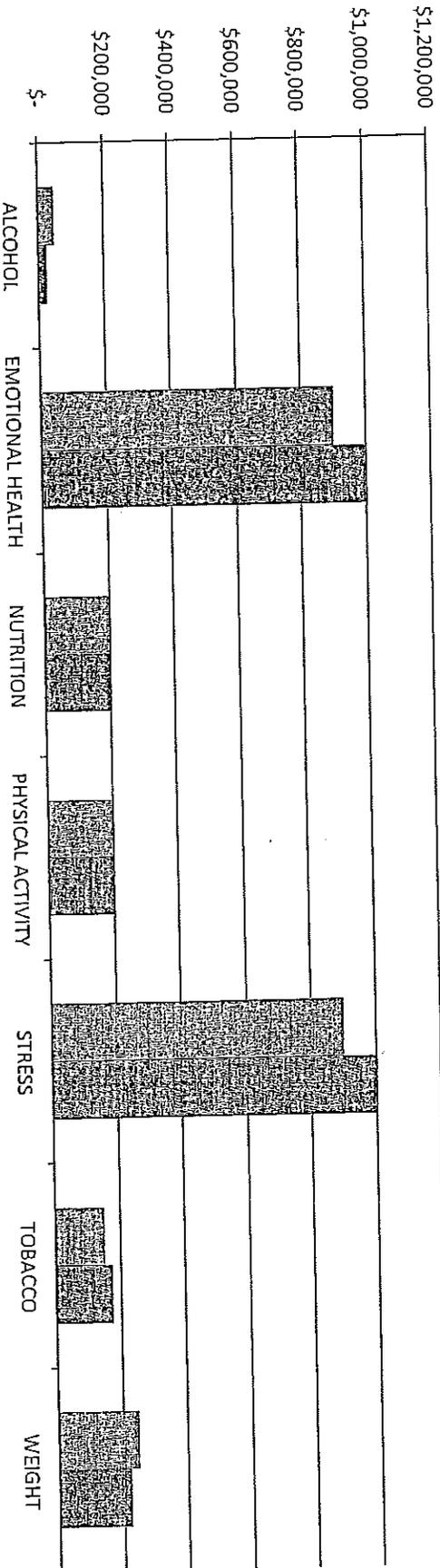


**PRODUCTIVITY RISK**

	PERIOD 1	PERIOD 2	% CHANGE
AVERAGE SALARY	\$50,000	\$50,000	0.0%
TOTAL ESTIMATED ANNUAL PRODUCTIVITY LOSS	\$105,000	\$180,000	71.4%
PER PERSON	\$1,050	\$1,200	14.3%



**AVERAGE PRODUCTIVITY IMPAIRMENT BY BEHAVIOR RISK**



■ PERIOD 1

■ PERIOD 2

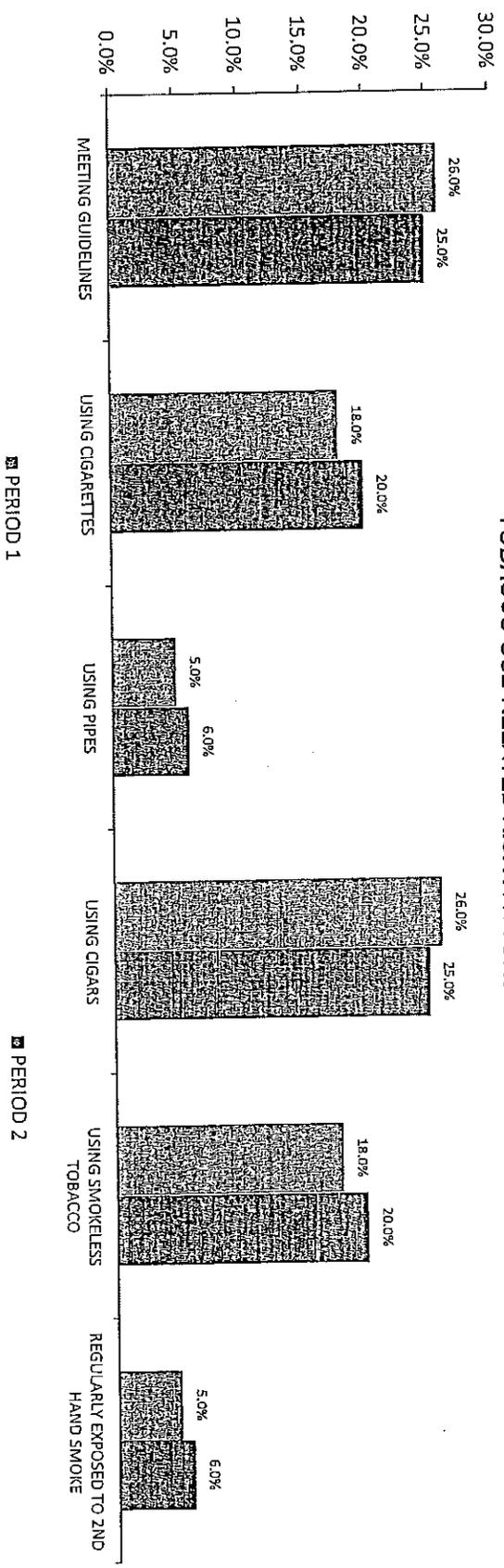
**CLIENT NAME**

**PERIOD 1:**  
**PERIOD 2:**

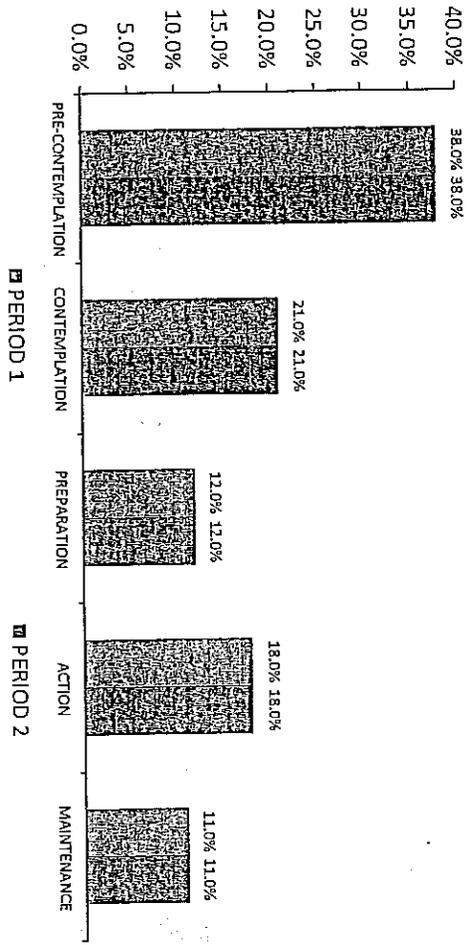
MM/DD/YYYY-MM/DD/YYYY  
MM/DD/YYYY-MM/DD/YYYY



**TOBACCO USE-RELATED RISK FACTORS**



**TOBACCO READINESS TO CHANGE**



	PERIOD 1	PERIOD 2	% CHANGE	# CHANGE
% MEETING NEGATIVE COTININE TEST	5.0%	10.0%	100.0%	10
PARTICIPATING IN TOBACCO PROGRAMS*	100	200	100.0%	100

\*DOES NOT INDICATE MATCHED PARTICIPANTS

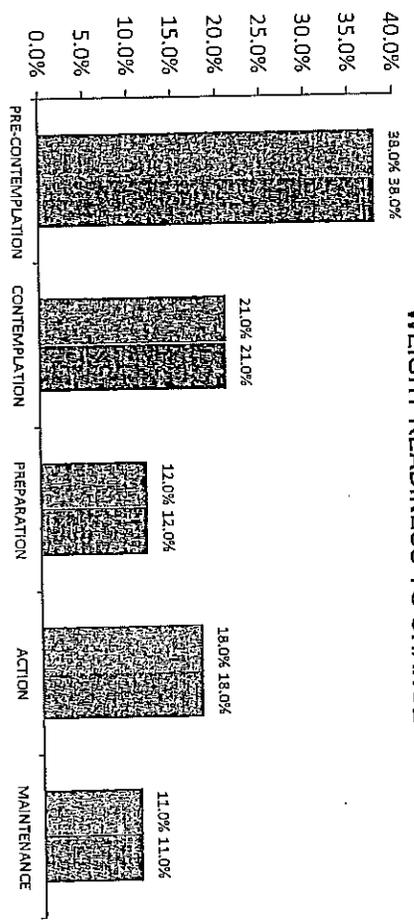
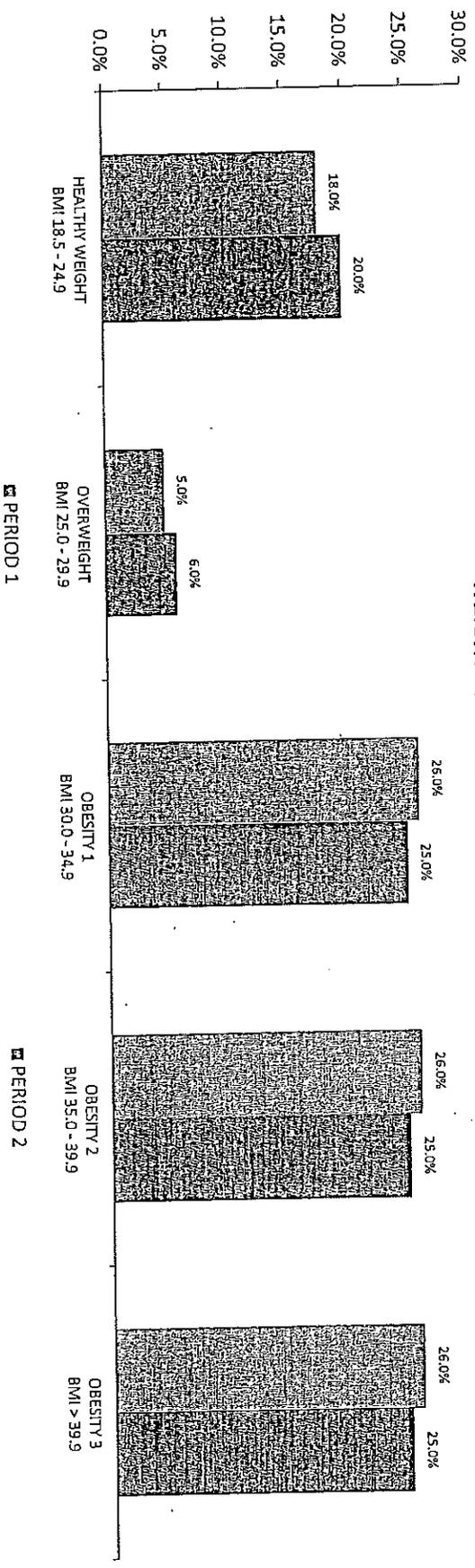
CLIENT NAME

PERIOD 1: MM/DD/YYYY-MM/DD/YYYY  
 PERIOD 2: MM/DD/YYYY-MM/DD/YYYY



HOSE WEIGHT

WEIGHT-RELATED RISK FACTORS



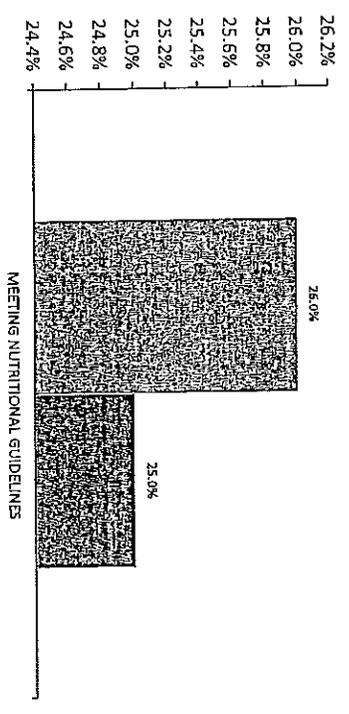
WEIGHT READINESS TO CHANGE

	PERIOD 1	PERIOD 2	% CHANGE	# CHANGE
PARTICIPATING IN WEIGHT MANAGEMENT PROGRAMS*	100	200	100.0%	100

\*DOES NOT INDICATE MATCHED PARTICIPANTS

CLIENT NAME

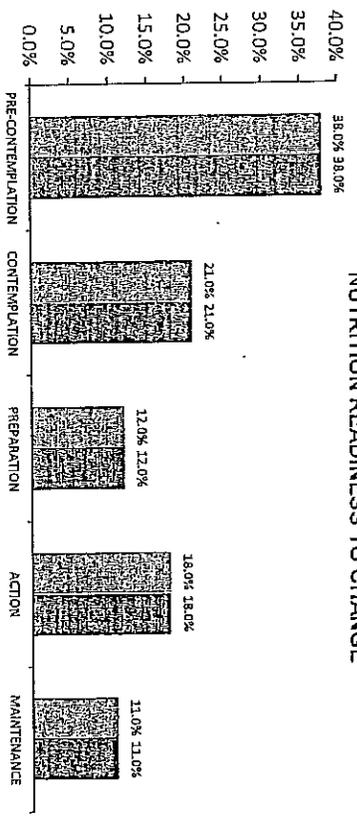
PERIOD 1: MM/DD/YYYY-MM/DD/YYYY  
 PERIOD 2: MM/DD/YYYY-MM/DD/YYYY



PERIOD 1 PERIOD 2

**NUTRITION RISK FACTORS**

	PERIOD 1	PERIOD 2	% CHANGE
< 5 SERVINGS OF FRUIT AND VEGETABLES PER DAY	25.0%	25.0%	0.0%
< 4 SERVINGS OF WHOLE GRAIN FOODS PER DAY	25.0%	25.0%	0.0%
< 3 SERVINGS OF PROTEINS PER DAY	25.0%	25.0%	0.0%
< 3 SERVINGS OF LOW-FAT DAIRY PER DAY	25.0%	25.0%	0.0%
> 1 SERVING OF FAT PER DAY	25.0%	25.0%	0.0%



NUTRITION READINESS TO CHANGE

PERIOD 1 PERIOD 2

	PERIOD 1	PERIOD 2	% CHANGE	# CHANGE
PARTICIPATING IN NUTRITION PROGRAMS*	100	200	100.0%	100

\*DOES NOT INDICATE MATCHED PARTICIPANTS

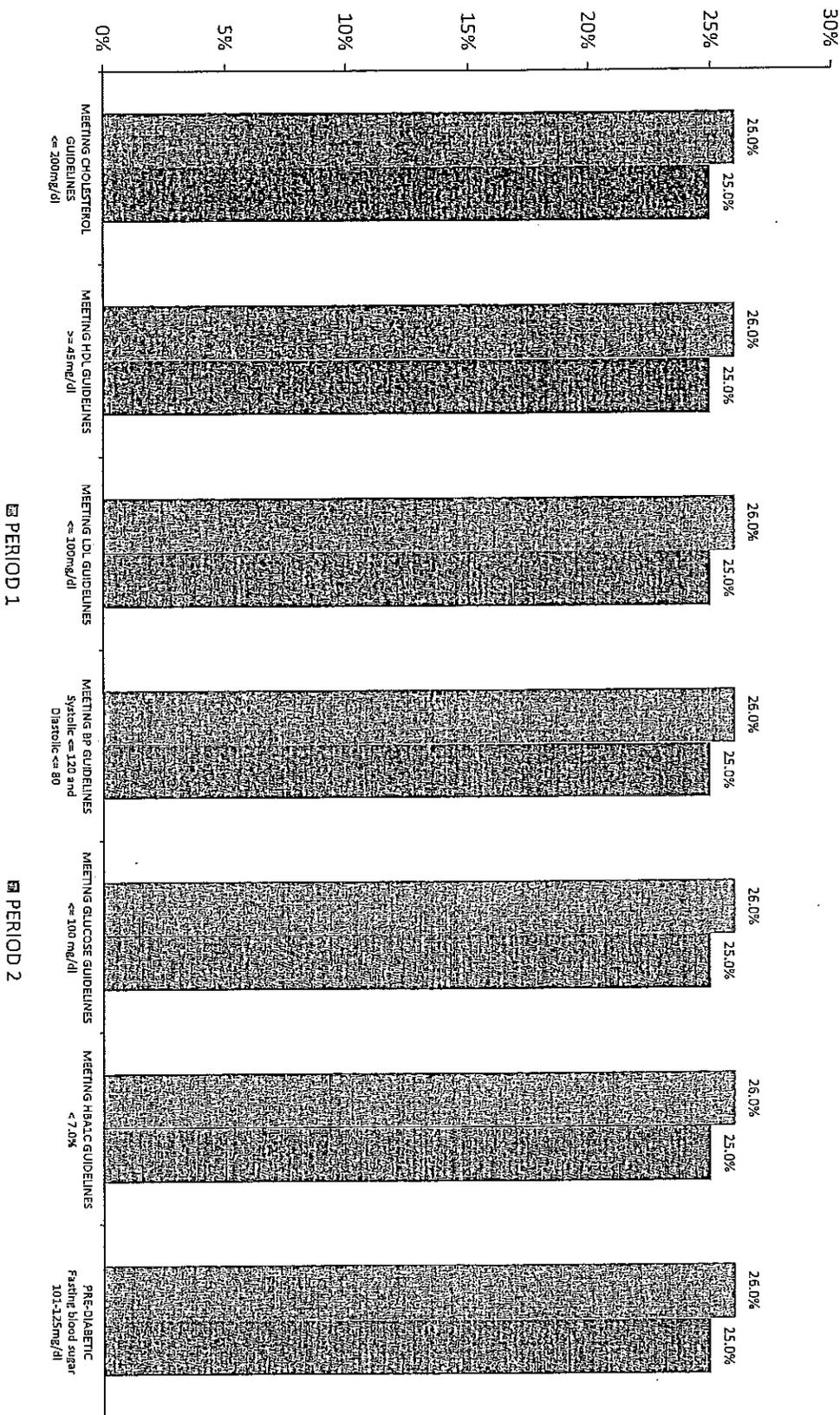
CLIENT NAME

PERIOD 1: MM/DD/YYYY-MM/DD/YYYY  
PERIOD 2: MM/DD/YYYY-MM/DD/YYYY



LIVEWELL

PROFESSIONALLY SOURCED AND SELF-REPORTED BIOMETRIC DATA



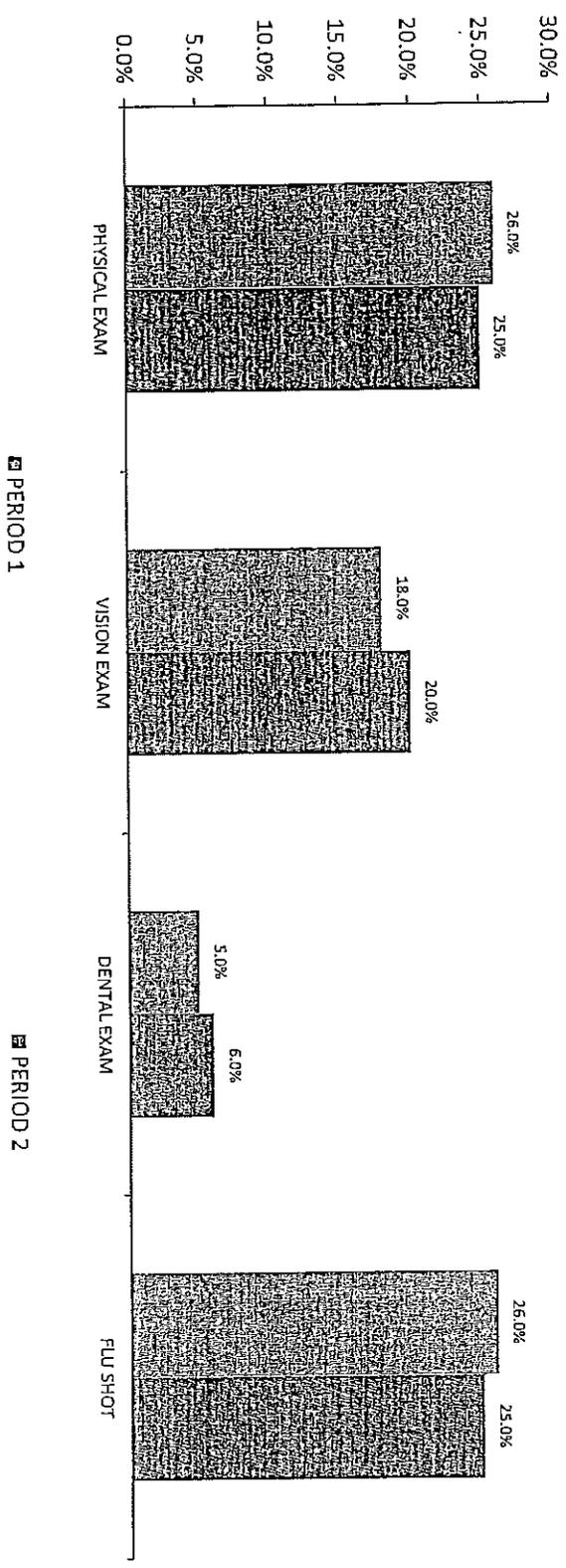
CLIENT NAME

PERIOD 1: MM/DD/YYYY-MM/DD/YYYY  
PERIOD 2: MM/DD/YYYY-MM/DD/YYYY



SELF-REPORTED PREVENTIVE EXAMS

SELF REPORTED PREVENTIVE MEASURES



## APPENDIX (CONTINUED)

Get Moving: Individuals meeting guidelines for physical activity exercise most or all days of the week at moderate to high intensities and are considered to be at low risk for physical inactivity. Guidelines for cardiovascular: 3 or more sessions per week or at least 90 minutes. Guidelines for strength training; a minimum of 2 times per week or at least 60 minutes. Guidelines for stretching; perform range of motion or stretching exercises at minimum of 3 times per week. Those classified as performing no exercise complete zero cardiovascular and zero strength training exercise.

Lose Weight: Body Mass Index (BMI) is calculated using a formula based on height and weight. BMI equals weight in kilograms divided by height in meters squared ( $BMI = kg/m^2$ ).

Manage Stress: Individuals meeting guidelines for managing stress are considered to be at low risk for stress. This is based on the number and severity of stress events experienced in the last year, general satisfaction levels and the availability of a support system.

Eat Better: Individuals who are currently meeting the guidelines for nutrition adhere to most recommended nutritional guidelines and are considered to be low risk. Additionally, those not meeting the guidelines for each of the five major food groups are also represented.

Alcohol: The recommended limits of alcohol consumption are no more than 2 drinks per day for men and no more than 1 drink per day for women. Binge drinking is defined as having 5 or more drinks in a single sitting in the last 6 months.

Emotional Health: Individuals who report at least one leading indicator of depression or multiple lesser symptoms of depression are classified as at-risk for emotional health.

Program Participation (As it applies to the Health Management Plan Categories): This number represents the number of participants that have completed a program either online, onsite or in the community and the participation data has been received.



Client Site Biometrics

Client Number: Date Range: Between mmmddyyyy and mmmddyyyy

**Total Cholesterol**

Participant Count	Average	Normal (<=200)	% Normal	Moderately Elevated (201-239)	% Moderately Elevated	Elevated (>=240)	% Elevated	Not Available	% Not Available
3705	185.7	2,520	68.0%	839	22.6%	313	8.4%	33	0.9%

**High Density Lipoprotein (Good Cholesterol)**

Participant Count	Average	Normal (>=45)	% Normal	At Risk (<=44)	% At Risk	Not Available	% Not Available
3705	53.7	2,398	64.7%	1,179	31.8%	128	3.5%

**Low Density Lipoprotein (Bad Cholesterol)**

Participant Count	Average	Normal (<=100)	% Normal	Moderately Elevated (101-159)	% Moderately Elevated	Elevated (>=160)	% Elevated	Not Available	% Not Available
3705	107.4	1,516	40.9%	1,562	42.2%	250	6.7%	377	10.2%

**Triglycerides**

Participant Count	Average	Normal (<150)	% Normal	Moderately Elevated (150-200)	% Moderately Elevated	Elevated (201-400)	% Elevated	Significantly Elevated (>=400)	% Significantly Elevated	Not Available	% Not Available
3705	131.9	2,497	67.4%	494	13.3%	437	11.8%	57	1.5%	220	5.9%

**Blood Glucose**

Participant Count	Average	Normal (<100)	% Normal	Moderately Elevated (100-129)	% Moderately Elevated	Elevated (>=120)	% Elevated	Not Available	% Not Available
3705	95.0	2,742	74.0%	690	18.6%	207	5.6%	66	1.8%

**Systolic Blood Pressure**

Participant Count	Average	Normal (<120)	% Normal	Pre-hypertensive (120-139)	% Pre-hypertensive	Hypertensive (>=140)	% Hypertensive	Not Available	% Not Available
3705	119.3	1,927	52.0%	1,409	38.0%	324	8.7%	45	1.2%

**Diastolic Blood Pressure**

Participant Count	Average	Normal (<80)	% Normal	Pre-hypertensive (80-89)	% Pre-hypertensive	Hypertensive (>=91)	% Hypertensive	Not Available	% Not Available
3705	79.9	1,979	53.4%	1,395	37.7%	477	12.9%	45	1.2%

Biometric range values follow American Heart and Diabetes Association guidelines.

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# WORKSITE HEALTH MANAGEMENT STRATEGY RESOURCES

## PRACTICE PREVENTIVE CARE

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**Consumer Communications Toolkit** is an online resource for customers to help their employees become more involved, be more informed and make smart healthcare choices. Customers can choose from menu topics to find tools, including promotional materials, fliers, postcards, emails, newsletters and more.

**Health and Wellness Fair Toolkit** is a resource guide for the worksite to help plan a successful and impactful event. This comprehensive toolkit provides timeline recommendations, vendor suggestions, marketing tools and template samples to assist with development, promotion and implementation. *This toolkit is available on the Consumer Communications Toolkit.*

**Health Education & Information** gives you access to news articles, a health library, condition guides, e-newsletters, videos, links to relevant health information across the web and more. You can research a specific health topic or get the latest information on emerging health trends. Take charge of your health with these online tools and resources, powered by WebMD®, a trusted name in health and wellness information.

**Health on the Menu Workshops** are one-hour wellness workshops for the worksite that promote healthy lifestyles in an educational way. Topics include nutrition, diabetes, childhood obesity and knowing your screening numbers. Each workshop comes with a PowerPoint presentation, marketing materials and supporting handouts.

**Health on the Menu Webinars & Videos** are 15-minute, pre-recorded wellness workshops for the worksite that promote healthy lifestyles in an engaging way. Topics include physical activity, weight management, stress management, nutrition and tobacco cessation.

**Health Topics** are proven online tools and resources that help you manage health issues, such as exercise, weight management, nutrition and stress, so that you can understand your health status, make more informed care decisions and enjoy cost savings on a wide range of health-related products and services.

**Health Trackers** allow you to develop your own or choose from 24 different trackers to record and view your progress in measures such as blood pressure, blood glucose, cholesterol, weight and exercise.

**Healthy Highlights and Wellness Planning Calendar** are customizable monthly health promotions and a wellness planning calendar for the worksite to help develop an annual program plan for their worksite wellness program. Customers receive monthly e-promotions and educational resources. *Available on the Consumer Communications Toolkit.*



HIGHMARKBLUESHIELD.COM

**Nutrition Digital Health Assistant** is a self-guided online program that begins with a series of interactive questions to help members create their customized program based on their health focus and desired participation level – easy, medium or challenging. They set goals and choose from a wide variety of meaningful activities to reach those goals. The focus is on small and achievable steps that the member commits to for one week.

**Smart Pick** is a nutrition awareness program designed to help individuals easily identify healthy food and beverage options in workplace cafeterias, catering services and vending machines. By displaying signage and labeling foods with the **SmartPick** logo, employees can easily identify healthier food choices. *The campaign includes a “Healthy Dining” and/or “Healthy Vending” toolkit. A program cost applies.*

**Weight Management Digital Health Assistant** is a self-guided online program that begins with a series of interactive questions to help members create their customized program based on their health focus and desired participation level – easy, medium or challenging. They set goals and choose from a wide variety of meaningful activities to reach those goals. The focus is on small and achievable steps that the member commits to for one week.

## GET ACTIVE

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**10,000 Step Challenge** is a 12-week physical activity campaign designed to help individuals increase their physical activity, endurance and improve overall health. Weekly articles and a tracking booklet are also available. *This toolkit is available on the Consumer Communications Toolkit.*

**Exercise Digital Health Assistant** is a self-guided online program that begins with a series of interactive questions to help members create their customized program based on their health focus and desired participation level – easy, medium or challenging. They set goals and choose from a wide variety of meaningful activities to reach those goals. The focus is on small and achievable steps that the member commits to for one week.

**Grand Slam Fitness** is a 6 week, beginner focused, baseball themed exercise program. Online videos show health coaches demonstrating exercises in e-mails that include health tips, exercises, and more. *This toolkit is available on the Consumer Communications Toolkit.*

**Hit Your Stride<sup>SM</sup>** is a four- to six-weeks long walking program that organizes individuals and teams in friendly competitions to see who takes the most steps or walks the most miles. Participants can see current overall team standings in steps and distance, as well as their own walking progress. *A program cost applies.*

**I.O. Me – Time 2 Get Moving** is an electronic newsletter campaign that encourages personal goal setting, helps participants establish a physical activity routine and creates accountability. *This toolkit is available on the Consumer Communications Toolkit.*

**Ready! Set! Move!<sup>SM</sup>** offers you the flexibility to develop an activity program around a variety of exercises in addition to, or in place of, walking. Participants can accumulate points individually or in teams based upon the various types of exercises and the intensity and/or duration of each activity. *A program cost applies.*

**Step Into Fitness** is an online activity tracker. Using **Health Trackers** and connected fitness devices, members can track their activity to earn points and complete the program using the **Wellness Rewards** platform. *A program cost applies.*

**Strides for Health** is a self-paced, eight-week physical activity campaign focused on helping individuals develop a regular walking program using tracking logs and a participant guide. *This toolkit is available on the Consumer Communications Toolkit.*

**I.O.Me Time 2 Quit Tobacco** is an electronic newsletter campaign designed to increase participants' awareness about what their health numbers, like blood pressure and Body Mass Index (BMI), mean for their health. *This toolkit is available on the Consumer Communications Toolkit.*



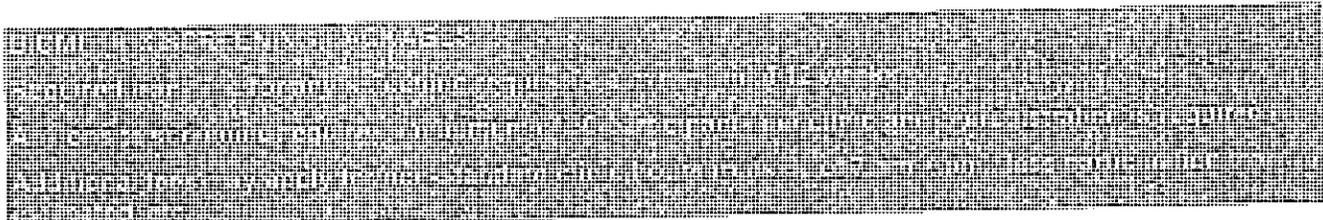
# Health & Wellness Services

## Regional/National PRICING SHEET

Updated 07/01/2019

		CONTRACT SIZE		
CORE SERVICES		51+		
<ul style="list-style-type: none"> <li>Wellness Profile (Health Risk and Productivity Assessment)*</li> <li>WebMD Apps- Daily Victory and Weigh Today</li> <li>WebMD Device Tracking Integration</li> <li>WebMD Personal Health Record</li> <li>WebMD Digital Health Assistant Programs (physical activity, nutrition, weight management, stress management, tobacco cessation, emotional health)</li> <li>WebMD Health Trackers (blood pressure, blood glucose, cholesterol and more)</li> <li>WebMD Symptom Checker</li> <li>WebMD Videos (over 3,000 videos on diseases, conditions and wellness topics)</li> <li>WebMD Recipes (over 600 healthy living and lifestyle recipes)</li> <li>WebMD Health Information Content (over 200 health topics)</li> <li>WebMD Health Topics (topics include alcohol and substance abuse, nutrition, emotional health management and more)</li> </ul>		Health Plan Medical Member No Charge		
CORE COACHING SERVICES		51+		
<ul style="list-style-type: none"> <li>Personal Wellness Coaching (weight management, nutrition, stress, exercise, etc.)</li> <li>How To Be Tobacco-Free (Telephonic and Self-Study options)</li> <li>Drop 10 in 10 (Telephonic and Self-Study options)</li> <li>Sleep (Telephonic and Self-Study options)</li> </ul>		Free		
REWARD/INCENTIVE TRACKING				
Initial Reward Program For Medical Members and Associated Members				
Standard Reward Packages		51-99	100-999	1,000+
Health Awareness (Wellness Profile Only) Includes one standard marketing flier and one standard completion report at conclusion of program		Free	Free	Free
Tobacco Reasonable Alternative (Participation Certification + 1 Reasonable Alternative) Includes one standard marketing flier and one standard completion report at conclusion of program		Free	Free	Free
Healthy Measures (Wellness Profile + Biometric Screening) Includes one standard marketing flier and one standard completion report at conclusion of program		Not Available	\$600	\$600
Healthy Activities (Wellness Profile + 3 Activities) Includes one standard marketing flier and one standard completion report at conclusion of program		Not Available	\$600	\$600

\*Paper Wellness Profiles can be available upon request for \$30 per Wellness Profile [4-6 weeks lead time required]



<b>Biometric Screening Package 1</b> Recommended for: Standalone Screening, Healthy Activities, Healthy Options, Healthy Points or Healthy Measures Screenings	<b>100+</b>
<b>Onsite screenings</b> (fingerstick blood draw) <ul style="list-style-type: none"> <li>• Full Lipid panel including LDL/HDL Cholesterol, Total Cholesterol, Triglycerides and Glucose</li> <li>• Blood Pressure</li> <li>• Brief consult with examiner and What's Your Number brochure</li> </ul>	\$57/Participant
<b>Offsite option: Physician Derived Results (PDR)</b>	\$17/Participant
<b>Offsite option: Lab Voucher (Venipuncture)</b>	\$57/ Participant
<b>Biometric Screening Package 2</b> Recommended for: Healthy Values or Outcomes based screenings	<b>100+</b>
<b>Onsite screenings</b> <ul style="list-style-type: none"> <li>• Full Lipid panel including LDL/HDL Cholesterol, Total Cholesterol, Triglycerides and Glucose</li> <li>• Blood Pressure</li> <li>• Brief consult with examiner (lipid/glucose consult not available with venipuncture)and What's Your Number brochure</li> </ul>	\$57/Participant Fingerstick Blood Draw  \$64/Participant Venipuncture Blood Draw
<b>Offsite option: Physician Derived Results (PDR)</b>	\$17/Participant
<b>Offsite option: Lab Voucher – Venipuncture (Full lipid/glucose/HT/WT/Waist Circumference)</b>	\$75/ Participant
<b>Screening add on option: Measured Height/Weight (calculated BMI)</b>	\$9/Participant
<b>Screening add on option: Waist Circumference</b>	\$12/Participant
<b>Screening add on option: Cotinine (Nicotine)- Venipuncture (coupled with venipuncture lipid)</b>	\$30/Participant
<b>Screening add on option: Cotinine (Nicotine)- Cheek Swab</b>	\$37/Participant
<b>Custom/À la Carte Screenings</b> Recommended for: Custom Reward Programs if other packages do not meet screening needs	<b>1000+</b>
<b>Basic Fingerstick</b> (total cholesterol, glucose and blood pressure)	\$51/Participant
<b>Comprehensive Fingerstick</b> (total cholesterol, LDL, HDL, Triglycerides, glucose and blood pressure)	\$57/Participant
<b>Basic Venipuncture</b> (total cholesterol, glucose and blood pressure)	\$58/Participant
<b>Comprehensive Venipuncture</b> (total cholesterol, LDL, HDL, Triglycerides, glucose and blood pressure)	\$64/Participant
<b>À la Carte Onsite Add-ons</b>	
<b>Biometric Screening Counseling</b> (in conjunction with purchased Fingerstick screening option: 5-minute private consultation with qualified health professional regarding screening results).	Add \$7/participant
<b>Measured Height and Weight</b> (calculated BMI)	Add \$9/Participant
<b>Measured Waist Circumference</b>	Add \$12/Participant

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# SAMPLE Health Management Plan

Increase Engagement • Promote Consumerism • Reduce Risk • Impact Trend

Awareness  Behavior Change

	2017	2018	2019
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## MEASURABLE OBJECTIVES

- Improve culture assessment score
- Increase prevalence of positive health behaviors
- Increase lifestyle score
- Increase participation in lifestyle programs
- Improve adherence to preventive physical exams and screenings
- Decrease non-user rates
- Increase participation in Rewards incentive program
- Increase coaching attempts to reached rates
- Increase website utilization

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| <p><b>Build Culture</b></p> <ul style="list-style-type: none"> <li>• Secure senior and mid-level management support</li> <li>• Identify wellness champions</li> </ul> | <ul style="list-style-type: none"> <li>• Empower wellness champions</li> <li>• Include wellness program performance and participation in department goals</li> </ul> | <ul style="list-style-type: none"> <li>• Align corporate policies to wellness goals</li> <li>• Align benefit design to encourage wise consumers</li> <li>• Set an overall health management goal for the organization</li> </ul> |
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| <p><b>Earn Rewards*</b></p> <ul style="list-style-type: none"> <li>• Screening</li> <li>• Wellness profile</li> <li>• Preventive exam (self-certify)</li> </ul> | <ul style="list-style-type: none"> <li>• Screening</li> <li>• Wellness profile</li> <li>• Preventive exam (claims and self-certify)</li> <li>• Lifestyle coaching</li> </ul> | <ul style="list-style-type: none"> <li>• Screening</li> <li>• Wellness profile</li> <li>• Meeting screening targets</li> <li>• Preventive exam</li> <li>• Lifestyle coaching</li> </ul> |
|---|--|---|

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| <p><b>Increase Engagement</b></p> <ul style="list-style-type: none"> <li>• Health Advisor program</li> <li>• Promote website registration, member engagement tools, and Member Services</li> </ul> | <ul style="list-style-type: none"> <li>• Promote health coaching and preventive exams</li> <li>• Implement lifestyle improvement programs</li> </ul> | <ul style="list-style-type: none"> <li>• Focus on lifestyle improvement and condition management/adherence</li> <li>• Encourage informed decision making</li> </ul> |
|--|--|---|

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|--|---|---|
| <p><b>Communicate Purpose</b></p> <ul style="list-style-type: none"> <li>• Educate members on health and wellness services available</li> <li>• Assess current health status and how to improve</li> <li>• Inform members of consumer choices</li> </ul> | <ul style="list-style-type: none"> <li>• Coach members on condition management, care compliance, preventive adherence, and reaching health goals</li> <li>• Close gaps in care</li> </ul> | <ul style="list-style-type: none"> <li>• Encourage members to be better consumers of health care</li> <li>• Communicate costs, cost drivers and impact of consumer choices</li> </ul> |
|--|---|---|

\* Wellness Rewards is a consumer-driven program that encourages employees to take more personal responsibility for their health; it encourages behavior change and provides members with incentives for making real, constructive health and lifestyle changes. Standard models include an array of programs and services such as wellness profiles (health risk assessments), biometric screenings, coaching, preventive exams and behavioral change programs.



## Eileen Marsico

---

19 North Main Street  
Wilkes Barre, PA 18711

570-200-6564 Office  
570-575-1831 Cell

**Title:** Client Manager, Strategic Accounts

**Years in present position:** 16

### **CURRENT RESPONSIBILITIES**

Liaison between client and Highmark.

Responsibilities include:

- financial/clinical review
- developing detailed account plans
- development and delivery of product/services proposal
- cross selling of product and services
- managing the overall relationship

Development of creative/consultative solutions to ever changing environment.

### **CAREER EXPERIENCE AT HIGHMARK**

Eileen has held a various Sales positions with responsibilities that ranged from new group sales, client management of small group market through the very large, customized strategic accounts.

### **EDUCATION**

Graduated from the University of Scranton, Health and Human Services, over 30 years in the healthcare industry.

# Disclosures

## Disclosures

**The following are independent entities that provide services in support of Highmark Blue Cross Blue Shield programs:**

Acciaris provides administrative services for spending accounts.

Advanced Medical Reviews, Inc. provides third-party appeal utilization management services.

AIM Healthcare Services, Inc., CDR Associates, LLC, CGI Technologies Solutions, Inc. and Trover Solutions, Inc. perform hospital bill audit services.

American Institute for Preventive Medicine conducts our telephonic tobacco cessation programs, Guided Self Help Smokeless<sup>®</sup> and Telephonic Smokeless<sup>®</sup>.

Blue365 and Healthways provide health and wellness resources and discount programs and services.

Eliza Corporation provides Interactive Voice Response (IVR) services for prevention, disease management and business-specific call campaigns.

Equian provides subrogation outsourcing and COB data-mining.

eviCore, LLC provides select utilization management for select radiation oncology services.

ExLandis provides our utilization management platform, MaxMC.

Express Scripts provides pharmacy services. Express Scripts is a registered trademark of Express Scripts Holding Company, an independent company that administers pharmacy services.

Fiserv, Inc. produces and distributes ID cards.

GNC, Inc. provides wellness, health information content and affinity discount programs.

Health Data & Management Solutions provides reporting platform, Analytics Navigator.

Health Dialog Services Corporation provides after hours nurse line/decision support.

Healthways WholeHealth Networks, Inc. provides utilization management for outpatient physical medicine services.

Healthwise, Inc. administers Healthwise<sup>®</sup> Coach, a health content knowledgebase. Healthwise<sup>®</sup> Coach is a registered trademark of Healthwise, Incorporated.

Integrated Health 21 provides onsite-and off-site biometric screening services.

LanguageLine Solutions provides telephonic translator assistance.

McKesson Health Solutions, Inc. provides medical necessity criteria.

Medavante is a separate company that administers the spending account debit card.

Medecision provides a health care management platform, Aerial, which contains the components that comprise our case and disease management functionality for our nurse dashboard.

MultiPlan, Inc. provides non-network/out-of-network cost reduction and savings program.

My Rx Choices<sup>®</sup> is a prescription drug savings program. My Rx Choices<sup>®</sup> is a registered mark of Express Scripts Holding Company.

National Imaging Associates<sup>SM</sup> (NIA) supports the Radiology Management Program for pre-authorization review of select outpatient imaging services. National Imaging Associates (NIA) is a service mark of Magellan Health Services, Inc.

National Medical Reviews provides third-party appeal utilization management services.

NaviNet, Inc. provides a secure, web-based portal between providers and health care insurance plans. NaviNet<sup>®</sup> and Navinet Rx<sup>®</sup> are registered trademarks of NaviNet, Inc.

Prest & Associates, Inc. provides third-party appeal utilization management services for behavioral health.

Quest Diagnostics provides onsite-and off-site biometric screening services.

ProPeer Resources, Inc. and Permedion conduct Independent Third Party Appeal Reviews.

Verisk Health provides our industry standard identification and stratification predictive modeling technology and Nurse Dashboard.

Walgreens Specialty Pharmacy, LLC provides specialty pharmacy care management services. Walgreens Specialty Pharmacy<sup>®</sup> is a registered trademark of Walgreen Co.

WebMD<sup>®</sup> provides members online access to our health risk assessment, Personal Health Record, Digital Health Assistance online lifestyle improvement programs, Wellness Rewards program and comprehensive health information.

WebMD<sup>®</sup> Health Services is a registered trademark of WebMD, LLC, an independent and separate company that supports Highmark Blue Cross and/or Blue Shield online wellness services. WebMD Health Services is solely responsible for its programs and services, which are not a substitute for professional medical advice, diagnosis or treatment. WebMD Health Services does not endorse any specific product, service or treatment.

**The following are independent entities that do not provide Blue Cross and/or Blue Shield products or services. They are solely responsible for the products and services they provide:**

- Blue Edge Dental<sup>SM</sup>
- Blues On Call<sup>SM</sup>
- ChoiceBlue<sup>SM</sup>
- ConnectBlue EPO<sup>SM</sup>
- Community Blue Flex<sup>SM</sup>, Community Blue Flex Total Health<sup>SM</sup>, Community Blue Premier Flex<sup>SM</sup>, Community Blue HMO<sup>SM</sup>
- EPO Blue<sup>SM</sup>/EPO Blue Total Health<sup>SM</sup>
- FreedomBlue<sup>SM</sup>
- GeoBlue<sup>SM</sup>
- KeystoneBlue HMO<sup>SM</sup>
- Power of Blue<sup>SM</sup>
- PPO Blue<sup>SM</sup> PPO Blue Total Health<sup>SM</sup>
- Quality Blue<sup>SM</sup>
- SecurityBlue<sup>SM</sup>

GeoBlue<sup>SM</sup> is a trade name of Worldwide Insurance Services, LLC, an independent licensee of the Blue Cross Blue Shield Association.



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

November 16, 2017

To the Honorable Council  
Of the City of Scranton  
Municipal Building  
Scranton, PA 18503

RECEIVED

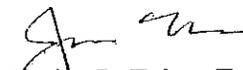
NOV 21 2017

OFFICE OF CITY  
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH HIGHMARK BLUE CROSS BLUE SHIELD TO PROVIDE MEDICAL CLAIMS ADMINISTRATIVE SERVICES TO THE CITY OF SCRANTON FOR THE PERIOD JANUARY 1, 2018 THROUGH DECEMBER 31, 2020.

Respectfully,

  
Jessica L. Eskra, Esquire  
City Solicitor

JLE/sl