



January 18, 2010 **CITY OF MORROW, GEORGIA** **4:30 pm**
Special Called Meeting

CALL TO ORDER: Mayor Millirons
PLEDGE OF ALLEGIANCE: All
INVOCATION: Mayor Millirons

1. **ROLL CALL**

2. **APPROVAL OF MEETING AGENDA:**

(Agenda Item 11-01-209)

To add or remove items from the Agenda:

3. **CONSENT AGENDA:**

(Agenda Item 11-01-210)

1. Approval of the December 14, 2010 Regular Meeting Minutes.

(Agenda Item 11-01-211)

2. Approval of the December 14, 2010 Work Session Minutes.

(Agenda Item 11-01-212)

3. Award of an Ambulance Contract to Peach State Ambulance for the purchase of an Ambulance for the City of Morrow Fire Department in the winning bid amount of \$69,983.00

4. **REPORTS AND PRESENTATIONS:** None at this time

5. **FIRST PRESENTATION:** None at this time

6. **OLD BUSINESS:**

(Agenda Item 10-12-206)

1. Approval of an Ordinance of the City of Morrow, Georgia to provide for Procedures for Conduct of Hearings pursuant to Section 5.16 of the City Charter; To designate a Hearing Body; To specify due process requirements; to prescribe time frames; and for other purposes.

(Presented by City Attorney Laurel Henderson)

7. **NEW BUSINESS:**

(Agenda Item 11-01-216)

1. Approval of a Resolution to set the Date for the City of Morrow General Election and Runoff; to set Candidacy Qualifying Dates and Fees; to set the last day to Register to Vote for the 2011 General Election and Runoff; and to Appoint an Election Superintendent. *(Presented by City Manager Jeff Eady)*

(Agenda Item 11-01-217)

2. Approval of a Resolution by the Mayor and Council Accepting the specific Terms outlined in the Grant Award from the Department of Natural Resources Land and Water Conservation Fund. *(Presented by City Manager Jeff Eady)*

(Agenda Item 11-01-218)

3. Approval of a Resolution Adopting the Flexible Benefits Plan of the City of Morrow and Appointing a Plan Administrator for the Plan.
(Presented by City Manager Jeff Eady)

8. **COMMENTS:**

Citizens-
City Manager-
Mayor and Council –

9. **ADJOURNMENT:**

**PEACH STATE AMBULANCE,
130 PEACH STATE COURT
TYRONE, GA 30290**

INVOICE

DATE	INVOICE NO.
12/20/2010	18551

BILL TO
CITY OF MORROW FIRE DEPARTMENT 1500 MORROW ROAD MORROW, GA 30290

SHIP TO
CITY OF MORROW FIRE DEPARTMENT 1500 MORROW ROAD MORROW, GA 30290 ATTENTION: CHIEF MARK HERENDEEN

P.O. NO.	TERMS	DUE DATE	SHIP VIA	FOB
CONTRACT	NET UPON DEL.	12/27/2010	CUST P/U	TYRONE, GA

QTY	ITEM	DESCRIPTION	RATE	AMOUNT
1	NEW REMOUNT	2008 FORD E-350 SRW RV CUTAWAY WHEELED COACH TYPE III MODULAR AMBULANCE STOCK NO: 28953 VIN: 1FDSE35P68DA35207	69,983.00	69,983.00

DELIVERY IS SCHEDULED FOR WEDNESDAY 12-27-10	Total	\$69,983.00
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Phone #	Fax #	E-mail
770-486-7410	770-631-1830	psai1993@aol.com

**AN ORDINANCE OF THE CITY OF MORROW, GEORGIA TO
PROVIDE FOR PROCEDURES FOR CONDUCT OF HEARINGS PURSUANT
TO SECTION 5.16 OF THE CITY CHARTER; TO DESIGNATE A HEARING BODY;
TO SPECIFY DUE PROCESS REQUIREMENTS; TO PRESCRIBE
TIME FRAMES; AND FOR OTHER PURPOSES.**

WHEREAS, Section 5.16 of the City Charter provides a local procedure by which the Mayor, Council Members or other appointed officers provided for by the Charter may be removed from office; and

WHEREAS, said provision requires adoption of an ordinance governing the manner in which removal hearings are held; and

WHEREAS, the City has no current ordinance fulfilling this requirement; and

WHEREAS, it is the desire of the Governing Authority to establish a hearing process, including due process protections, that is available for utilization in removal proceedings.

IT IS HEREBY ORDAINED by the Governing Authority of the City of Morrow:

Section 1. That a new chapter be enacted to the Code of Ordinances for the City of Morrow, as amended, to be designated as Title 2, Chapter 2 of said Code, the contents of which shall read as follows:

Chapter 2

Removal of Elected Officials

Sec. 2-2-1 Authority; applicability.

This Chapter is enacted pursuant to the authority of Section 5.16 of the City Charter and shall apply to all removal proceedings conducted under Section 5.16(b)(1) of the City Charter.

Sec. 2-2-2 Consideration of dismissal hearing; finding of probable cause; notice of charges.

(a) When information comes to the Mayor and Council, pursuant to its investigatory powers under the City Charter or by other means, that an elected official or other official appointed under the Charter has engaged in conduct that would be grounds for removal under Title 45 of the Official Code of Georgia Annotated or under such other laws as exist or may hereafter be enacted, the Mayor and Council shall make an initial determination as to whether probable cause for removal exists. The Mayor and Council may make such a determination

based on live testimony taken by it in open session, through acceptance of a report conducted under its auspices by persons designated to make such an investigation on its behalf, or by other reliable means. To the extent information comes to the Mayor and Council suggesting grounds for removal exists, the Mayor and Council retains investigative powers under Section 2.15 of the Charter and may utilize such powers in any manner it deems appropriate to reach a decision as to whether probable cause exists. The City Attorney shall serve as a legal advisor to the Mayor and Council in making its determination.

(b) The Mayor and Council shall conduct a vote on the probable cause determination. Such determination may be made by adoption of a resolution finding probable cause to exist. Alternatively, a voice motion and vote may be used to make a finding of probable cause.

(c) Once probable cause has been found to exist, a written notice shall be prepared detailing the grounds for removal. In addition to detailing grounds for removal, the notice shall provide the time, place and date for hearing of the charges and reference the procedures adopted by this Ordinance. A copy of the notice shall be served on the officer against whom removal is sought no less than 10 days before any scheduled hearing. The notice may be served by hand delivery or by certified mail. The Mayor and Council shall convene a hearing as provided for in section 2-2-4 or may appoint a Hearing Board as provided for in section 2-2-3 to conduct the hearing.

Sec. 2-2-3 Hearing Board.

(a) The Mayor and Council, in lieu of conducting a hearing directly, may appoint a Hearing Board to hear evidence and make a final determination as to whether the official shall be removed from office. The Hearing Board shall be composed of three impartial persons, each of whom shall (i) be either an attorney licensed to practice law in Georgia or a city manager, (ii) possess no less than 10 years' experience in local government, and (3) not be involved in any current official capacity with the City of Morrow.

(b) Members of the Hearing Board shall be compensated at the rate of \$____ per day, with a maximum of \$___ per hearing.

(c) In the event a Hearing Board is constituted, any action taken by a majority of the Hearing Board shall be considered final action of the Board.

Sec. 2-2-4 Hearing on charges.

(a) Hearing on the charges shall be convened at such time, day and place as described in the notice of hearing. The Hearing Board, if such a board is conducting the hearing, shall designate one of its members as a Chairperson to preside over the hearing. The hearing of evidence shall be open to the public.

(b) At the public hearing, the official charged shall be entitled:

- (1) to be represented by privately retained counsel of his or her choice,
- (2) to present his or her case or defense by oral or documentary evidence, to be given under oath or by affirmation;
- (3) to submit rebuttal evidence; and
- (4) to conduct such cross-examination as may be required for a full and true disclosure of the facts.

(c) Any oral or documentary evidence may be received, but the Hearing Body as a matter of policy shall provide for the exclusion of irrelevant, immaterial or unduly repetitious evidence. The Hearing Body shall not be bound by the strict rules of evidence prevailing in the courts of law or equity.

(d) A full record of the hearing shall be prepared and maintained by the City, which record shall be open to the public and available for inspection. Any person may request a copy of the record upon payment of the full cost thereof.

(e) The City Attorney may serve as legal advisor to the Hearing Body.

(f) Upon conclusion of the hearing, the Hearing Body shall deliberate upon the evidence presented. Deliberations shall be closed to the public. The Hearing Body shall make findings of fact based on the evidence presented. Where the Hearing Body determines, by a preponderance of the evidence, that the official has committed the conduct as alleged in the notice, the decision shall be for removal. Where the Hearing Body determines the official has not committed the alleged actions by a preponderance of the evidence, the action shall be dismissed.

(g) The Hearing Body shall prepare a written decision, including findings of fact, its conclusions and its final decision. A copy of the notice shall be provided to the official upon its completion by either hand delivery or certified mail. The Hearing Body's notice shall be a final action of the City.

Sec. 2-2-5 Appeals.

An official disputing the action of the Hearing Body shall have 30 days to appeal the decision to Superior Court of Clayton County by writ of certiorari.

Sec. 2-2-6 Definitions.

For the purpose of this Chapter the following terms shall have the meanings respectively ascribed to them:

(1) "Hearing Body" shall mean either the Mayor and Council or a Hearing Board designated pursuant to Section 2-2-3 by the Mayor and Council and designated to act in the Mayor and Council's stead.

(2) "Official" shall mean the elected official or officer appointed pursuant to the City Charter against whom removal is sought prior to the expiration of that official's term of office.

Section 2. It is the intent of this Ordinance to serve as a general process for removal of all officials subject to that action as well as to govern procedures for the hearing of removal charges against Council Member John Lampl pursuant to the City Council's action of Nov. 23, 2010. To the extent that probable cause has already been found by the Mayor and Council as a result of a report prepared by Elarbee Thompson, the intent of this Ordinance is to utilize that finding and proceed with further steps in the removal process.

Section 3. All ordinances and parts of ordinances in conflict with this Ordinance are, to the extent of conflict, hereby repealed.

Section 4. Should any words, phrases, sentences or paragraphs of this Ordinance be declared invalid by a court of competent jurisdiction, such ruling shall not affect the remaining words, phrases, sentences or paragraphs of this Ordinance, but the offending provisions shall be severed from the remainder to the extent allowable by law.

Section 5. This Ordinance shall be effective immediately upon its adoption.

So Ordained this 18th day of January, 2011.

Jim Millirons, Mayor

Attest:

Evyonne Browning, City Clerk

Prepared by:

Laurel Henderson, City Attorney

(Seal)

STATE OF GEORGIA
COUNTY OF CLAYTON

RESOLUTION NO.

A RESOLUTION TO SET THE DATE FOR THE CITY OF MORROW GENERAL ELECTION AND RUNOFF; TO SET CANDIDACY QUALIFYING DATES AND FEES; TO SET THE LAST DAY TO REGISTER TO VOTE FOR THE 2011 GENERAL ELECTION AND RUNOFF; AND TO APPOINT AN ELECTION SUPERINTENDENT

WHEREAS, the Mayor and Council of the City of Morrow hereby resolves that the General Election shall be held on November 8, 2011 and that if a Runoff is required that date will be December 6, 2011 (O.C.G.A. 21-2-9); and

WHEREAS, the opening date for announcing candidacy for the General Election is set for August 29, 2011 and the closing date is set for September 2, 2011 for any candidate wishing to qualify for the offices of Mayor and City Councilmember. The office of Mayor and two (2) City Councilmember seats will expire the end of 2011 and each office will run at large to serve a four (4) year term; and

WHEREAS, any qualified candidate wishing to qualify for any said office should do so during the hours of 8:30 am to 12:00 noon and 1:00 pm to 4:30 pm within said opening and closing dates by submitting a Notice of Candidacy in the office of the City Clerk located at 1500 Morrow Road, Morrow, Ga. (O.C.G.A. 21-2-132); and

WHEREAS, the qualifying fee for said offices shall be \$432 for the office of Mayor and \$270 for the office of City Councilmember (O.C.G.A. 21-2-131); and

WHEREAS, the last day to register to vote in said election and runoff is Tuesday October 11, 2011 (O.C.G.A. 21-2-244); and

WHEREAS, the Mayor and Council of the City of Morrow hereby appoints Evyonne Browning, City Clerk, as the Election Superintendent for the General Election and runoff.

WHEREAS, this Resolution shall become effective upon its adoption.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Morrow this 18th day of January, 2011.

Jim Millirons, Mayor

ATTEST:

Evyonne Browning, City Clerk
(Seal)

STATE OF GEORGIA
COUNTY OF CLAYTON

RESOLUTION NO.

**A RESOLUTION BY THE MAYOR AND COUNCIL OF THE CITY OF MORROW
ACCEPTING THE SPECIFIC TERMS OUTLINED IN THE GRANT AWARD FROM
THE DEPARTMENT OF NATURAL RESOURCES LAND AND WATER
CONSERVATION FUND**

WHEREAS, The Georgia Department of Natural Resources (DNR) awarded the City of Morrow a grant through the Land and Water Conservation Fund; and

WHEREAS, Grant funds will be utilized to renovate the walking trails in Milton Daniel Park; and

WHEREAS, The total project cost is \$70,000 - \$35,000 funded by DNR and \$35,000 funded by the City of Morrow General Fund; and

WHEREAS, The City of Morrow accepts the specific terms of the grant agreement as defined by the Department of Natural Resources.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF MORROW, GEORGIA:

Section 1. The Mayor and Council of the City of Morrow, do hereby accept the specific terms of the grant agreement as defined by the Department of Natural Resources.

Section 2. This Resolution shall be effective on the date of its approval by the Mayor and Council of the City of Morrow.

SO RESOLVED, this the 18th day of January, 2011.

Jim Millirons, Mayor

Attest:

Evyyonne Browning, City Clerk

(Seal)



STATE PARKS & HISTORIC SITES

MARK WILLIAMS
COMMISSIONER

BECKY KELLEY
DIRECTOR

December 21, 2010

Honorable Jim Millirons
Mayor, City of Morrow
1500 Morrow Road
Morrow, GA 30260

RE: Land and Water Conservation Fund Grant
Project Name: Charles Milton Daniel Park
Project Number: 13-00925

Dear Mayor Millirons:

We have received official notification from the National Park Service, U.S. Department of the Interior, that your Land and Water Conservation Fund (LWCF) project has been approved. Attached are two copies of the project agreement containing the specific terms of the grant. Please have the local governing body pass and certify a resolution accepting the terms of the grant, secure the appropriate signature on both copies of the agreement, and return both copies along with the resolution and certification to our office for processing. Upon full execution, an original will be returned to you.

Prior to requesting reimbursement of any portion of this LWCF grant, someone will need to attend either a group or one-on-one fiscal workshop. Topics to be covered include grants management, record-keeping procedures, and compliance with state and federal guidelines.

We look forward to working closely with you on this project in your efforts to provide recreation opportunities for the citizens in your area. If you should have any questions, please call me at 404-656-2770 ext: 6.

Sincerely,

Antoinette Norfleet
Director of Grants

Enclosure
cc: Sylvia Redic

**DEPARTMENT OF NATURAL RESOURCES
PARKS AND HISTORIC SITES DIVISION
LAND AND WATER CONSERVATION FUND PROJECT AGREEMENT**

Applicant (State Agency/City/County/Commission/Authority): Project Number:

Morrow, City of

13-00925

Project Title:
Charles Milton Daniel Park

Project Period: Date of approval to
December 31, 2012

Project Stage Covered by this Agreement:
Entire Project

Project Scope (Description of Project):

This project consists of the renovation of trails in an existing 3-acre park located in the City of Morrow, Clayton County by the City of Morrow.

Project Cost:

Total Cost: \$70,000
(Fund Amount not to exceed 50% of Total)

Fund (LWCF) Amount \$35,000

Cost of this Stage \$70,000

Assistance this Stage \$35,000

The following are hereby incorporated into this
Project Agreement:

1. General Provisions (Attached Pages 3-8)
2. LWCF State Assistance Program Manual
3. 43 CFR, Part 12
4. Project Application and Attachments
5. OMB Circular A-102
6. DNR/LWCF Administrative Manual
7. 36 CFR Part 59
8. _____

The Department of Natural Resources, represented by the Director, Division of Parks and Historic Sites, State of Georgia, and the Applicant State Agency, City, County, Commission, Authority named above hereinafter referred to as the Applicant), mutually agree to perform this Agreement in accordance with the federal and state Land and Water Conservation Fund Grants Manuals, and with the terms promises, conditions, plans, specifications, estimates, procedures, project proposals, maps, assurances, and certifications attached hereto or retained by the Applicant and hereby made a part hereof.

The Department of Natural Resources promises, in consideration of the promises made by the Applicant herein, to obligate to the Applicant the amount of money referred to above, and to tender to the applicant that portion of the obligation which is required to pay the Department's share of the costs of the above project stage, based upon the above percentage of assistance. The Applicant hereby promises, in consideration of the promises made by the Department herein, to execute the project described above in accordance with the terms of the Agreement.

The following special project terms and conditions were added to this Agreement before it was signed by the parties hereto:

NONE.

In witness whereof, the parties have executed this Agreement as of the date entered below.

State of Georgia

Morrow, City of

By _____
(Signature)

By _____
(Signature)

Becky Kelley, Director
Division of Parks and Historic Sites

Jim Millirons

DEPARTMENT OF NATURAL RESOURCES

(Name)

Date _____

Mayor _____
(Title)

**LAND AND WATER CONSERVATION FUND
PROJECT AGREEMENT GENERAL PROVISIONS**

Part I - Definitions

- A. The term "NPS" or "Service" as used herein means the National Park Service, United States Department of the Interior.
- B. The term "DNR" as used herein means the Department of Natural Resources, Division of Parks, Recreation and Historic Sites, State of Georgia.
- C. The term "Director" as used herein means the Director of the Division of Parks, Recreation and Historic Sites, Department of Natural Resources, or any representative lawfully delegated the authority to act for such Director.
- D. The term "Manual" as used herein means the Land and Water Conservation Fund State Assistance Program Manual and the DNR Land and Water Conservation Fund Administrative Manual.
- E. The term "project" as used herein means a Land and Water Conservation Fund grant, which is subject to the project agreement and/or its subsequent amendments.
- F. The term "Applicant" as used herein means the State Agency, City, County or Commission or Authority, which is a party to the project agreement. Wherever a term, condition, obligation, or requirement refers to the Applicant, such term, condition, obligation, or requirement shall also apply to the recipient political subdivision or public agency, except where it is clear from the nature of the term, condition, obligation, or requirement that it is to apply solely to the DNR. For purposes of these provisions, the terms "Applicant," "grantee," and "recipient" are deemed synonymous.
- G. The term "Secretary" as used herein means the Secretary of the Interior, or any representative lawfully delegated the authority to act for such Secretary.
- H. The term "Land and Water Conservation Fund" as used herein means the Land and Water Conservation Fund Act of 1965, Public Law 88-578, as amended. For purposes of these provisions, the terms "LWCF" and the "Fund" are deemed synonymous with Land and Water Conservation Fund.

Part II - Continuing Assurances

The parties to the project agreement specifically recognize that the Land and Water Conservation Fund project creates an obligation to maintain the property described in the project agreement and supporting application documentation consistent with the Land and Water Conservation Fund Act and the following requirements.

Further, it is the acknowledged intent of the parties hereto that recipients of assistance will use monies granted hereunder for the purposes of this program, and that assistance granted from the Fund will result in a net increase, commensurate at least with the Federal cost-share, in a participant's outdoor recreation.

It is intended by both parties hereto that assistance from the Fund will be added to, rather than replace or be substituted for, State and local outdoor recreation funds.

- A. The Applicant agrees, as recipient of this assistance, that it will meet the following specific requirements and that it will further impose these requirements, and the terms of the project agreement, upon any political subdivision or office thereof, or public agency to which funds are transferred pursuant to the project agreement. The Applicant also agrees that it shall be responsible for compliance with the terms of the project agreement by such a political subdivision or office thereof, or public agency and that failure by such political subdivision, or office thereof, or public agency to so comply shall be deemed a failure by the Applicant to comply with the terms of this project agreement.
- B. The Applicant agrees that the property described in the project agreement and the signed and dated project boundary map made part of that agreement is being acquired or developed with Land and Water Conservation Fund assistance, or is integral to such acquisition or development, and that, without the approval of the Director and the Secretary, it shall

not be converted to other than public outdoor recreation use but shall be maintained in public outdoor recreation in perpetuity or for the term of the lease in the case of leased property. The Director and the Secretary shall approve such conversion only if it is found to be in accord with The Georgia Planning Act, The Service Delivery Strategy Law, and the then existing comprehensive statewide outdoor recreation plan and only upon such conditions deemed necessary to assure the substitution of other recreation properties of at least equal fair market value and of reasonably equivalent usefulness and location pursuant to Title 36 Part 59.3 of the *Code of Federal Regulations*. This replacement land becomes subject to Section 6(f)(3) protection. The approval of a conversion shall be at the sole discretion of the Director and the Secretary, or their designee.

Prior to the completion of this project, the Applicant and the Director may mutually alter the area described in the project agreement and the signed and dated project boundary map to provide the most satisfactory public outdoor recreation unit, except that acquired parcels are afforded Section 6(f)(3) protection as Fund reimbursement is provided.

In the event the NPS and the State provide Land and Water Conservation Fund assistance for the acquisition and/or development of property with full knowledge that the project is subject to reversionary rights and outstanding interests, conversion of said property to other than public outdoor recreation uses as a result of such right or interest being exercised will occur. In receipt of this approval, the Applicant agrees to notify the State of the potential conversion as soon as possible and to seek approval of replacement property in accord with the conditions set forth in these provisions and program regulations. The provisions of this paragraph are also applicable to: leased properties acquired and/or developed with Fund assistance where such lease is terminated prior to its full term due to the existence of provisions in such lease known and agreed to by the State; and properties subject to other outstanding rights and interests that may result in a conversion when known and agreed to by the State.

- C. The Applicant agrees that the benefit to be derived by the State and the United States from the full compliance by the Applicant with the terms of this agreement is the preservation, protection, and the net increase in the quality of public outdoor recreation facilities and resources which are available to the people of the State and of the United States, and such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by the State and the United States by way of assistance under the terms of this agreement. The Applicant agrees that payment by the Applicant to the State or the United States of an amount equal to the amount of assistance extended under this agreement by the State and the United States would be inadequate compensation to the State and the United States for any breach by the Applicant of this agreement.

The Applicant further agrees, therefore, that the appropriate remedy in the event of a breach by the State of this agreement shall be the specific performance of this agreement or the submission and approval of a conversion-of-use request as described in Section II.B above.

- D. The Applicant agrees to comply with the policies and procedures set forth in Manuals. Provisions of said Manuals are incorporated into and made a part of the project agreement.
- E. The Applicant agrees that the property and facilities described in the project agreement shall be operated and maintained as prescribed by Manual requirements and published post-completion compliance regulations (Title 36 Part 59 of the *Code of Federal Regulations*).
- F. The Applicant agrees that a permanent record shall be kept in the participant's public property records and available for public inspection to the effect that the property described in the scope of the project agreement, and the signed and dated project boundary map made part of that agreement, has been acquired or developed with Land and Water Conservation Fund assistance and that it cannot be converted to other than public outdoor recreation use without the written approval of the Director and the Secretary.

G. Nondiscrimination

1. By signing the LWCF agreement, the Applicant certifies that it will comply with all State and Federal laws relating to nondiscrimination as outlined in the Civil Rights Assurance appearing at Part III-I herein.
2. The Applicant shall not discriminate against any person on the basis of residence, except to the extent that

reasonable differences in admission or other fees may be maintained on the basis of residence as set forth in the Manuals.

Part III - Project Assurances

A. Applicable Federal Circulars and DNR Regulations and Manuals

The Applicant shall comply with applicable regulations, policies, guidelines and requirements as they relate to the application, acceptance and use of Federal funds for this federally assisted project, including:

- OMB Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments;
- 43 CFR Part 12, Administrative and Audit Requirements and Cost Principles for Assistance Programs, Department of the Interior;
- A-87, Cost Principles for State, Local, and Indian Tribal Governments; and
- A-133, Audits of States, Local Governments, and Non-Profit Organizations; and
- DNR Land and Water Conservation Fund Administrative Manual.

B. Project Application

1. The Application for Federal Assistance bearing the same project number as the agreement and associated documents is by this reference made a part of the agreement.
2. The Applicant possesses legal authority to apply for the grant, and to finance and construct the proposed facilities. A resolution, motion or similar action has been duly adopted or passed authorizing the filing of the application, including all understandings and assurances contained herein, and directing and authorizing the person identified as the official representative of the Applicant to act in connection with the application and to provide such additional information as may be required.
3. The Applicant has the capability to finance the non-Federal share of the costs for the project. Sufficient funds will be available to assure effective operation and maintenance of the facilities acquired or developed by the project.

C. Project Execution

1. The project period shall begin with the date of approval of the project agreement or the effective date of a waiver of retroactivity and shall terminate at the end of the stated or amended project period unless the project is completed or terminated sooner in which event the project shall end on the date of completion or termination.
2. The DNR shall transfer to the Applicant identified as a party to this agreement all funds granted hereunder except those reimbursed to the DNR to cover eligible administrative expenses.
3. The Applicant will cause work on the project to be commenced within a reasonable time after receipt of notification that funds have been approved and assure that the project will be prosecuted to completion with reasonable diligence.
4. The Applicant will require the facility to be designed to comply with the Architectural Barriers Act of 1968 (Public Law 90-480) and DOI Section 504 Regulations (43 CFR Part 17). The Applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
5. The Applicant shall secure completion of the work in accordance with approved construction plans and

specifications, and shall secure compliance with all applicable Federal, State, and local laws and regulations.

6. In the event the project covered by the project agreement, cannot be completed in accordance with the plans and specifications for the project; the Applicant shall bring the project to a point of recreational usefulness agreed upon by the Director and the Secretary.
7. The Applicant will provide for and maintain competent and adequate architectural/engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications and will furnish progress reports and such other information as the DNR may require.
8. The Applicant will comply with the terms of Title II and Title III, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), 94 Stat. 1894 (1970), and the applicable regulations and procedures implementing such Act for all real property acquisitions and where applicable shall assure that the Act has been complied with for property to be developed with assistance under the project agreement.
9. The Applicant will comply with the provisions of: Executive Order 11988, relating to evaluation of flood hazards; Executive Order 11288, relating to the prevention, control, and abatement of water pollution, and Executive Order 11990 relating to the protection of wetlands.
10. The Applicant will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1976. Section 102(a) requires the purchase of flood insurance in communities where such insurance is available, as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes, for use in any area that has been identified as an area having special flood hazards by the Flood Insurance Administration of the Federal Emergency Management Agency. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
11. The Applicant will assist the NPS in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archaeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to effects (see CFR Part 800.8) by the activity, and notifying the DNR and the Federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by the Federal grantor agency to avoid or mitigate adverse effects upon such properties.
12. The Applicant will comply with "Minority Business Enterprises" and "Women's Business Enterprises" pursuant to Executive Orders 11625 and 12138 as follows:
 - (1) Place minority and women business firms on bidder's mailing lists.
 - (2) Solicit these firms whenever they are potential sources of supplies, equipment, construction, or services.
 - (3) Where feasible, divide total requirements into smaller needs, and set delivery schedules that will encourage participation by these firms.
 - (4) The DNR and the Department of the Interior are committed to the objectives of this policy and encourages all recipients of its grants and cooperative agreements to take affirmative steps to ensure such fairness.

The DNR and the National Park Service Regional Offices will work closely with the Applicants to ensure full compliance and that grant recipients take affirmative action in placing a fair share of purchases with minority business firms.

13. The Applicant will comply with the intergovernmental review requirements of Executive Order 12372.

D. Construction Contracted for by the Applicant Shall Meet the Following Requirements:

1. Contracts for construction shall comply with the provisions of 43 CFR Part 12 (Administrative and Audit Requirements and Cost Principles for Assistance Programs, Department of the Interior), and with the DNR Land and Water Conservation Fund Administrative Manual.
2. No grant or contract may be awarded by any grantee, subgrantee or contractor of any grantee or subgrantee to any party, which has been debarred or suspended under Executive Order 12549. By signing the LWCF agreement, the Applicant certifies that it will comply with debarment and suspension provisions appearing at Part III-J herein.

E. Retention and Custodial Requirements for Records

1. Financial records, supporting documents, statistical records, and all other records pertinent to this grant shall be retained in accordance with 43 CFR Part 12 for a period of three years; except the records shall be retained beyond the three-year period if audit findings have not been resolved.
2. The retention period starts from the date of the final expenditure report for the project.
3. State and local governments are authorized to substitute copies in lieu of original records.
4. The Secretary, the Comptroller General of the United States and the Director, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Applicant and their related departments which are pertinent to a specific project for the purpose of making audit, examination, excerpts and transcripts.

F. Project Termination

1. The Secretary or the Director may temporarily suspend Federal assistance under the project pending corrective action by the Applicant or pending a decision to terminate the grant by the NPS.
2. The Applicant may unilaterally terminate the project at any time prior to the first payment on the project. After the initial payment, the project may be terminated, modified, or amended by the Applicant only by mutual agreement with the NPS.
3. The Secretary or the Director may terminate the project in whole, or in part, at any time before the date of completion, whenever it is determined that the grantee has failed to comply with the conditions of the grant. The Director will promptly notify the Applicant in writing of the determination and the reasons for the termination, together with the effective date. Payments made to Applicants or recoveries by the NPS and the DNR under projects terminated for cause shall be in accord with the legal rights and liabilities of the parties.
4. The Secretary, the Director, or the Applicant may terminate grants in whole, or in part, at any time before the date of completion, when all parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The Applicant shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The NPS and the DNR may allow full credit to the Applicant for the Federal share of the noncancelable obligations, properly incurred by the Applicant prior to termination.
5. Termination either for cause or for convenience requires that the project in question be brought to a state of recreational usefulness agreed upon by the DNR and the Secretary or that all funds provided by the Service be returned.

G. Lobbying with Appropriated Funds

The Applicant must certify, for the award of grants exceeding \$100,000 in Federal assistance, that no Federally appropriated funds have been paid or will be paid, by or on behalf of the Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding, extension, continuation, renewal, amendment, or modification of this grant. In compliance with Section 1352, Title 31, U.S. Code, the Applicant certifies, as follows:

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

H. Provision of a Drug-Free Workplace

In compliance with the Drug-Free Workplace Act of 1988 (43 CFR Part 12, Subpart D), the Applicant certifies, as follows:

The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about:

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of a grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the

grant, the employee will:

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the DNR in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the NPS has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted;

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

The Applicant must include with its application for assistance a specification of the site(s) for the performance of work to be done in connection with the grant.

I. Civil Rights Assurance

The State certifies that, as a condition to receiving any Federal assistance from the Department of the Interior, it will comply with all Federal laws relating to nondiscrimination. These laws include, but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-1), which prohibits discrimination on the basis of race, color, or national origin; (b) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicap; (c) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et. seq.), which prohibits discrimination on the basis of age; and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, handicap or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity conducted by the applicant. THE APPLICANT HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

THIS ASSURANCE shall apply to all aspects of the applicant's operations including those parts that have not received or benefited from Federal financial assistance.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Department, this assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Applicant for the period during which the Federal financial assistance is extended to it by the Department.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Applicant by the Department, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date.

The Applicant recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial

enforcement of this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, and subrecipients and the person whose signature appears on the grant agreement and who is authorized to sign on behalf of the Applicant.

J. Debarment and Suspension

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission or embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

The Applicant further agrees that it will include the clause "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions" appearing below in any agreement entered into with lower tier participants in the implementation of this grant. Department of Interior Form 1954 (DI-1954) may be used for this purpose.

Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this application that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this application.

STATE OF GEORGIA
COUNTY OF CLAYTON

RESOLUTION NO.

A RESOLUTION ADOPTING THE FLEXIBLE BENEFITS PLAN FOR THE CITY OF MORROW AND APPOINTING A PLAN ADMINISTRATOR FOR THE PLAN

WHEREAS, the Mayor and Council of the City of Morrow hereby resolves to adopt a Plan to be known as the City of Morrow Flexible Benefits Plan, substantially in the form presented to the Mayor and Council, which is effective as of December 1, 2010, a copy of which Plan is attached hereto and made a part thereof; and

WHEREAS, that Rebecca Zebe is hereby appointed to constitute the Plan Administrator of such Plan and to have such powers and duties as are set forth in the Plan; and

WHEREAS, this Resolution shall become effective upon its adoption.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Morrow that the full power and authority are hereby conferred upon the Mayor or in his absence the Mayor Pro Tem to execute amendments to such Plan within the general intent and purpose thereof in order that the Plan shall qualify under the provisions of Section 124 of the Internal Revenue Code of 1986, as amended.

So Resolved and Approved this 18th day of January, 2011.

Jim Millirons, Mayor

ATTEST:

Evyonne Browning, City Clerk
(Seal)



P.O. Box 1209 ★ Alpharetta, GA 30009
770-992-5959 ★ Fax 770-992-0723 ★ 1-800-366-2961
www.adminamerica.com

Admin America is pleased to provide you with this **Plan Administration Manual** for your new Flexible Benefits Plan (which is also commonly referred to as Premium Only Plan or POP). The manual has been organized in an easy to use notebook. Everything you need to manage the plan and conform to all regulations is included. There are a few items we would like to bring to your attention. They are as follows:

Behind the first tab is a copy of the Plan Abstract. This abstract summarizes much of the information about your Plan and can be used as a quick reference.

The second section of the manual is labeled "PLAN DOCUMENT". **The Plan Document should be reviewed by your legal counsel. Page 15 of the Plan Document should be executed as soon as possible and prior to the Plan's effective date.**

The third section of the manual is labeled "SUMMARY PLAN DESCRIPTION". **The Summary Plan Description also should be reviewed by your legal counsel.** Inside the front pocket is a master copy of the Summary Plan Description (SPD) which should be photocopied and made available to all participating employees and any other employee who requests a copy. Also, in the front pocket is a letter explaining the necessary information to conduct the current required non-discrimination testing. The letter will explain your requirements. For the Plan's first Plan Year, *ADMIN AMERICA* will conduct the non-discrimination testing if required as long as this information is gathered and returned to *ADMIN AMERICA* within 60 days of the effective date of the Plan.

The fourth section labeled "ELECTION FORM / CORP RESOLUTION" contains an "Election Form and Compensation Redirection Agreement" and a sample "Proposed Copy of Director's Resolution." The Election Form should be distributed to all eligible employees prior to the beginning of every Plan Year. The employees may use the form to choose to pay their premiums on a pre-tax or a post-tax basis. The Election Form is also designed to utilize the procedure known as "Negative Elections". The Negative Election procedure allows the employer to deem that eligible employees that do not return their Election Forms within a reasonable time limit have elected to have their deductions made on a pre-tax basis. Negative Elections have been authorized by the I.R.S. so long as two conditions are met: first, eligible employees have the right to elect post-tax deductions; and second, eligible employees are given a reasonable amount of time to make such an election. If these two conditions are not met, the employer must obtain a signed form from every participating employee. Please see the letter enclosed in the front pocket of this notebook for more information regarding the appropriate procedures for utilizing Negative Elections. Extra copies of the Election Form are available in the back pocket of the notebook.

The Directors Resolution is not required in order for your Plan to be compliant; it is merely provided for your convenience if your company requires such plans to be formally adopted for the purposes of a Minutes Book or similar records.

You may be aware that Plans such as this have previously been required to file a Form 5500 with an attached Schedule F. **As of April 4, 2002, the Internal Revenue Service suspended the requirement for Flexible Benefit Plans such as this to file Form 5500s along with an Schedule F.** Please be aware that this suspension does not alter the requirement for other Health and Welfare Benefits Plans to file a Form 5500 along with other required schedules as has been required in the past. Because those forms are not related in any way to this Plan, please consult with your Health Insurance advisor regarding your company's potential obligation to make such a filing.

We hope this administration notebook is beneficial. We appreciate the opportunity to be of service to you. Please feel free to contact me if you have questions or need further guidance.

Sincerely,

A handwritten signature in cursive script that reads "Georgia Andros".

Georgia Andros

PREMIUM ONLY PLAN ABSTRACT

Employer Name: City of Morrow
Mailing Address: 1500 Morrow Road
City, State, Zip: Morrow, GA 30260

Phone: (770) 961-4002

New Plan Amendment

Physical Address: same as above
same as above

Effective Date: December 1, 2010

Amended Effective: _____

Benefits Administrator: Rebecca Zebe
E-mail address: rzebe@cityofmorrow.com

Short Plan Year:
From _____ to _____

Plan Name: CITY OF MORROW
FLEXIBLE BENEFITS PLAN

Regular Plan Year:
From December 1 to November 30

Employer Entity: Corporation Partnership
 S-Corporation Other Government

Plan Number: 520

Employer Tax ID Number: 58-0939202

Employees To Be Excluded From Plan(s):
 Part time EE's working less than 30 hours per week
 Other: _____
(Please Specify)
 NO employees are to be excluded

Premium Payment Accounts:

Health Insurance
 Dental Insurance
 Cancer/Dread Disease Insurance
 Critical Illness
 Hospital Confinement
 Vision
 Other: AFLAC Coverages

Conditions of Eligibility

A. For first plan year only, anyone employed on the effective date will be eligible: Yes No
B. For all subsequent plan years, eligibility will be:
 1. Date of hire (no service required)
 2. 0 days after date of hire

Entry Date

First day of the month coinciding with or following the employee's date of eligibility.

Authorizing Executive: Rebecca Zebe

Title: Human Resources Mgr

AGENT INFORMATION:

Plans will be mailed to the agent for review and delivery to the client unless otherwise indicated - mail directly to the client

Name: James Piccirillo

Company/Agency: Strategic Benefit Solutions, Inc.

Address: 902 Abbey Ct.; Alpharetta, GA 30004 Telephone (678) 302-4992

CITY OF MORROW

ELECTION FORM AND COMPENSATION REDIRECTION AGREEMENT

Name: _____

Social Security Number: _____

Plan Year: December 1, 2010 to November 30, 2011

As an eligible participant in the Flexible Benefits Plan, I have the ability to pay for my share of the premiums for the health related insurance coverages I choose to participate in with **Pre-Tax** dollars. Although paying for the premiums with Pre-Tax dollars will reduce my out of pocket costs for my share of those premiums, I may elect to pay for my share of the premiums with **After-Tax** dollars. Accordingly, in the spaces below, I choose the indicated tax treatment for my payroll deductions subject to the terms of my employer's Flexible Benefits Plan. If I do not have coverage under one of the listed types of coverage, I have indicated so by marking "N/A" for that type of coverage.

<u>Coverage</u>	<u>Tax Treatment of Payroll Deductions</u> (choose one for each type of coverage)		
Group Health Insurance	Pre-Tax _____	After-Tax _____	N/A _____
Group Dental Insurance	Pre-Tax _____	After-Tax _____	N/A _____
AFLAC Coverages	Pre-Tax _____	After-Tax _____	N/A _____

I understand that:

- If I do not complete this form and return it to the Plan Administrator prior to the first day of the Plan Year, I will be deemed to have elected to pay for my share of premiums for any of the above listed health related insurance coverages for which I have enrolled with pre-tax salary reductions pursuant to the terms of this Plan.
- If my required contributions for the selected benefits are increased or decreased while this agreement remains in effect, my compensation redirection will automatically be adjusted to reflect that increase or decrease.
- Prior to the first day of each Plan Year I will be offered the opportunity to change my benefit election for the following Plan Year. If I do not complete and return a new election form at that time, I will be treated as having elected to continue my benefit coverage and amount of compensation redirection then in effect for the new Plan Year.
- I cannot change or revoke this compensation redirection agreement at any time during the Plan Year unless I have a change in family status or a member of my family or I have a change of employment status.
- The Plan Administrator may reduce or cancel my compensation redirection or otherwise modify this agreement in the event he believes it advisable in order to satisfy certain provisions of the Internal Revenue Code.
- The above amounts of my compensation redirection will be credited to the insurance account(s) and will be paid on my behalf for the applicable expenses incurred during the Plan Year.
- My Social Security Benefits may be slightly reduced as a result of my election.

THIS AGREEMENT IS SUBJECT TO THE TERMS OF THE EMPLOYER'S FLEXIBLE BENEFITS PLAN AS AMENDED FROM TIME TO TIME IN EFFECT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH APPLICABLE LAWS AND REVOKES ANY PRIOR ELECTION AND COMPENSATION AGREEMENT RELATING TO SUCH PLAN.

Employee's Signature _____

Date _____

PLAN DOCUMENT

FOR THE

CITY OF MORROW

FLEXIBLE BENEFITS PLAN

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CITY OF MORROW
FLEXIBLE BENEFITS PLAN

INTRODUCTION

The Employer has adopted this Plan to recognize the contributions made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their dependents and beneficiaries. The concept of this Plan is to allow employees to choose among different types of benefits based on their own particular goals, desires and needs. The Plan shall be known as the City of Morrow Flexible Benefits Plan (the "Plan").

The intention of the Employer is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125(d) of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be includable in or excludable from the Employee's income under Section 125(d) and other applicable sections of the Internal Revenue Code of 1986, as amended.

ARTICLE I
DEFINITIONS

- 1.1 "Administrator" means the individual or individuals appointed by the Employer to carry out the administration of the Plan. In the event the Administrator has not been appointed, or resigns from a prior appointment, the Employer shall be deemed to be the Administrator.
- 1.2 "Benefit" means each of the optional benefit choices available to a Participant as outlined in section 4.1.
- 1.3 "Code" means the Internal Revenue Code of 1986 as amended from time to time.
- 1.4 "Compensation" means the total cash remuneration received by the participant from the Employer during a Plan Year prior to any Salary Redirection Agreement authorized hereunder. Compensation shall not include overtime, commissions and bonuses.
- 1.5 "Dependent" means any individual who qualifies as a dependent under Code Section 152.
- 1.6 "Effective Date" means December 1, 2010.

- 1.7 "Election Period" means the period immediately preceding each Plan Year established by the Administrator for the election of Benefits and Salary Redirections, such period to be applied on a uniform and non-discriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.
- 1.8 "Eligible Employee" means any Employee who has satisfied the provisions of Section 2.1. However, Employees who are "leased employees" as defined in Code Section 414(n)(2), any Employee who is a nonresident alien and receives no earned income (within the meaning of Code Section 911(d)(2)), or any Employee who is a self-employed individual as defined under Code Section 401(c), shall not be eligible to participate in this Plan.
- 1.9 "Employee" means any person who is employed by the Employer, but excludes any person who is employed as an independent contractor. The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).
- 1.10 "Employer" means City of Morrow and any successor which shall maintain this Plan.
- 1.11 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 1.12 "Highly Compensated Participant" means, for the purposes of determining discrimination:
- (a) an officer;
 - (b) a shareholder owning more than five (5) percent of the voting power of all classes of stock of the Employer;
 - (c) highly compensated; or
 - (d) a Spouse or Dependent of an individual described in (a), (b), or (c) above.
- 1.13 "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.
- 1.14 "Insurance Contract" means any contract issued by an Insurer underwriting a Benefit.
- 1.15 "Insurance Premium Payment Plan" means the plan of benefits contained in Section 4.1 of this Plan, which provides for the payment of Premium Expenses.
- 1.16 "Insurer" means any insurance company that underwrites a Benefit under this Plan.
- 1.17 "Key Employee" means an employee defined in Code Section 416(i)(1) and the Treasury Regulations thereunder.
- 1.18 "Participant" means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate

further in the Plan.

- 1.19 "Plan" means the City of Morrow Flexible Benefits Plan.
- 1.20 "Plan Year" means the twelve month period beginning December 1 and ending November 30. The Plan Year shall be the coverage period for the benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.
- 1.21 "Premium Expenses or Premiums" means the Participant's cost for the insured Benefits described in Section 4.1.
- 1.22 "Premium Reimbursement Account" means the account established for a Participant pursuant to this Plan to which his flexible benefits plan dollars may be allocated and from which Premiums of the Participant may be paid. If more than one type of insured benefit is elected, sub-accounts shall be established for each type of insured Benefit.
- 1.23 "Salary Redirection" means the contributions made by the Employer on behalf of Participants pursuant to Section 3.2. These contributions shall be converted to flexible benefits plan dollars and allocated to the account(s) of each Participant for the purposes of providing the Benefits under the Plan.
- 1.24 "Salary Redirection Agreement" means an agreement between the Participant and the Employer under which the Participant agrees to reduce his compensation or to forego increases in such compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and subsequently does not become currently available to the Participant.
- 1.25 "Spouse" means the legally married husband or wife of a Participant.

ARTICLE II PARTICIPATION

2.1 ELIGIBILITY

An Employee who was employed on the Effective Date of this Plan shall be eligible to participate hereunder as of such date.

Termination of employment shall automatically terminate an Employee's eligibility to participate hereunder. Employees rehired within thirty days of their date of termination will be reinstated with the same Plan Elections as were in effect as of the date of termination. Employees rehired more than thirty days after their date of termination may make new elections effective as of their new date of eligibility for participation in the plan.

2.2 EFFECTIVE DATE OF PARTICIPATION

An eligible Employee shall become a Participant effective the first day of the month coinciding with or next following the date on which he met the eligibility requirements of Section 2.1.

2.3 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete a Salary Redirection Agreement which the Administrator shall furnish to the Employee. The election made on such form shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof. Any such Salary Redirection Agreement shall be effective as of the first day of the month beginning on or after the Employee's effective date of participation pursuant to section 2.2.

If an Employee who is eligible to participate in this Plan fails to complete a Salary Redirection Agreement and submit it to the Plan Administrator during the Election Period and otherwise does not submit a written waiver of participation for this Plan to the Plan Administrator during the Election Period, such Employee shall be deemed to have elected to participate in this Plan if that employee has on file a valid payroll deduction to pay for the Employee's share of insurance premiums for insurance programs identified in Section 4.1, *infra*. This feature shall be known as a "negative election". For any Employee who becomes eligible to participate in the Plan in the middle of the Plan Year, a negative election shall be effective as of the first day of the month beginning on or after thirty days after the Employee first becomes eligible to participate in this Plan.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

- (a) his termination of employment, subject to the provisions of Section 2.6;
- (b) a Participant ceases to be an Eligible Employee because of a change in employment status or classification, subject to the provisions of Section 2.5;
- (c) the termination of the Plan, subject to the provisions of Section 8.2.

2.5 CHANGE OF EMPLOYMENT STATUS

If a Participant ceases to be an Eligible Employee because of a change in employment status or classification (other than through termination of employment), the Participant shall become a limited Participant in this Plan for the remainder of the Plan Year in which such change of employment status occurs. As a limited Participant, no further Salary Redirection may be made on behalf of the Participant, except as otherwise provided herein, all further Benefit elections shall cease. If the limited Participant later becomes an Eligible Employee, then the limited Participant may again become a full Participant in this Plan, provided he otherwise satisfies the participation requirements set forth in this Article II as if he were a new Employee and made an election in accordance with Section 5.1.

2.6 TERMINATION OF EMPLOYMENT

If a Participant terminates Employment with the Employer for any reason other than death, his participation in the Plan shall cease.

**ARTICLE III
CONTRIBUTIONS TO THE PLANS**

3.1 EMPLOYER CONTRIBUTION

At the Employer's sole discretion, the Employer may make a contribution available to each Participant for the purchase of Plan Benefits pursuant to Article IV (an "Employer Contribution"). The amount of any such Employer Contribution shall be communicated to all eligible employees during the open enrollment period or when an Employee becomes eligible to participate in the Plan. Each Participant's Employer Contribution, if any, shall be converted to Flexible Benefits Plan Dollars and be available to purchase Benefits pursuant to Article IV. The Employer's Contribution, if any, shall be made on a pro rata basis for each pay period that the Participant participates in the Plan.

3.2 SALARY REDIRECTION

Benefits under the Plan shall be financed by Salary Redirections sufficient to support Benefits that a Participant has elected hereunder. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his pay during a Plan Year by an amount determined necessary to purchase the elected Benefit. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following

the Employee's initial Election Date under Paragraph 5.1 through the first day of the succeeding Plan Year. However, in no event shall a Participant's Salary Redirection exceed 100% of the Participant's Compensation. These contributions shall be converted to flexible benefits plan dollars and allocated to the account(s) established under the Plan pursuant to the Participants' elections made in accordance with Article V.

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and shall be irrevocable for such Plan Year. Salary Redirection amounts shall be contributed on a pro-rated basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.3 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contributions made or withheld for the Participant's Premium Expense Account(s) shall be credited to such account for the purpose of paying employer sponsored insurance Premium Expenses.

ARTICLE IV BENEFITS

4.1 BENEFIT OPTIONS

Each Participant may elect to have the amount of his Salary Redirections applied to any one of the following optional Insurance Plan Benefits:

- (1) Health Insurance Benefits
- (2) Dental Insurance Benefits
- (3) AFLAC Coverages Benefits

4.2 INSURANCE PLAN BENEFIT(S)

- (a) A Participant may elect to be covered under various Insurance Contract(s) providing Insurance Benefit(s), specified in Section 4.1, for the Participant, his or her Spouse, and his or her Dependents.
- (b) The Employer may select suitable Insurance Contract(s) for use in providing the Insurance Benefit(s) in Section 4.1 which policies will provide uniform benefits for all participants electing such Benefit(s).
- (c) The rights and conditions with respect to the benefits payable from such Insurance Contract(s) shall be determined therefrom, and such Insurance Contract(s) shall be incorporated herein by reference.

4.3 NONDISCRIMINATION REQUIREMENTS

- (a) It is the intent of this Flexible Benefits Plan not to discriminate as to contributions or Benefits provided to Highly Compensated Participants as defined in Section 1.12.
- (b) It is the intent of this Flexible Benefits Plan not to provide qualified benefits as defined under Code Section 125(f) to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided all Eligible Employees in the Plan.
- (c) If the Administrator deems it necessary to avoid discrimination or possible taxation to Highly Compensated Employees or Key Employees in violation of Code Section 125, it may, but shall not be required to reject any election or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

4.4 MAXIMUM EMPLOYER CONTRIBUTION

The maximum amount of employer contribution available under the Plan is the amount of employee pre-tax contribution allocable to benefits elected under the Plan.

ARTICLE V PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all of the remainder of the Plan Year, provided he elects to do so before his effective date of participation pursuant to Section 2.2. However, if such Employee does not complete an application to participate and benefits election form and deliver it to the Administrator before such date, his Election Period shall extend 30 calendar days after such date, or for such further period as the Administrator shall determine and apply on a uniform and nondiscriminatory basis. Any election pursuant to this Section 5.1 shall not be effective until the first pay period following the latter of such Participants effective date of participation pursuant to Section 2.2 or the date of the receipt of the election form by the Administrator, and shall be limited to the Benefit expenses incurred for the balance of the Plan Year for which the election is made.

5.2 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election benefits form to be provided by the Administrator, which benefits options he wishes to select and purchase with his Salary Redirections. Any such election shall be effective for any Benefit expenses incurred during the Plan Year that follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

- (a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;
- (b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year;
- (c) An Employee who elects not to participate for the Plan Year following an Election Period will have to wait until the next Election Period before again electing to participate in the Plan.

5.3 FAILURE TO ELECT

Any Participant failing to complete an election of benefits form pursuant to Section 5.2 by the end of the Election Period shall be deemed to have made the same Benefit option elections as are then in effect for the current Plan Year. It shall also be deemed the Participant has elected Salary Redirection in an amount necessary to purchase such benefit options.

5.4 CHANGE OF ELECTION

Any Participant may change an accident, health or group term life insurance Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if the changes are necessitated by and are consistent with one or more of the following status changes: change of employee's legal marital status, change in the employee's number of dependents (as defined by Code Section 152); change in the employment status of the employee, the employee's spouse or the employee's dependent (termination or commencement of employment); change in the work schedule of the employee, the employee's spouse or the employee's dependent (switch from part-time to full time or vice versa, a strike or lockout, or commencement of or return from unpaid leave); change in a dependent's eligibility for coverage under the employee's accident or health plan (either satisfying or ceasing to satisfy the dependency requirements); or change in the place of residence or work of the employee, spouse or dependent. A change in a Benefit election is considered "consistent with a change in status" only if the change in status results in the employee, spouse, or dependent gaining or losing eligibility for accident or health coverage under this Plan or an accident or health plan sponsored by the employee's spouse or dependent's employer and the Participant's change in the Benefit election corresponds with such a gain or loss of coverage.

A Participant may also change an accident, health or group term life insurance Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year corresponding to one of the following: special enrollment rights provided in Code Section 9801(f) (more commonly known as HIPAA); a judgment, decree or order (including a qualified medical child support order defined in section 609 of ERISA) that requires accident or health coverage for an employee's child; or entitlement by an employee, employee's spouse or employee's dependent to coverage under Medicare or Medicaid.

Additionally, if the Premium Expense under a health related insurance Benefit provided by an independent, third-party provider under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such health insurance Benefit. Alternately, if the Premium Expense increases significantly or if coverage is significantly curtailed or ceases during a Plan Year, the Administrator shall permit the affected Participants to either make corresponding changes in their Premium payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another health plan with similar coverage.

Any change in a Benefit election under the Plan must be executed (by completing a Change in Flexible Benefits Election Form) within 45 days of the actual date of the controlling event. Amended Salary Redirections will begin on the first payroll date coinciding with or following the date the change in flexible benefits election form is received by the Plan Administrator.

ARTICLE VI ERISA PROVISIONS

6.1 CLAIM FOR BENEFITS

(a) Any claim for Benefits underwritten by an Insurance Contract shall be made to the Insurer. If any insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure. Any other claim for Benefits shall be made to the Administrator. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim. If the Administrator does not notify the Participant of the denial of the claim within the 90 day period specified above, then the claim shall be deemed denied. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth

- (1) specific references to the pertinent Plan provisions on which the denial is based;
 - (2) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and
 - (3) an explanation of the Plan's claim procedure.
- (b) Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may
- (1) request a review upon written notice to the Administrator;
 - (2) review pertinent documents; and
 - (3) submit issues and comments in writing.
- (c) A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

6.2 NAMED FIDUCIARY

The Administrator shall be the named fiduciary pursuant to ERISA Section 402 and shall be responsible for the management and control of the operation and administration of the Plan.

6.3 GENERAL FIDUCIARY RESPONSIBILITIES

The Administrator and any other fiduciary under ERISA shall discharge their duties with respect for this Plan solely in the interest of the Participants and their beneficiaries and

- (a) for the exclusive purpose of providing Benefits to Participants and their beneficiaries and defraying the reasonable expenses of administering the Plan;
- (b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and
- (c) in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with ERISA.

ARTICLE VII ADMINISTRATION

7.1 PLAN ADMINISTRATION

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have the full power to administer the Plan in all of its details, subject, however, to the pertinent provisions of the Code. The Administrator's powers shall include, but shall not be limited to the following authority, in addition to all other powers provided by this Plan:

- (a) To make and enforce such rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided under the Plan except as provided in Section 7.4.
- (d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;
- (e) To approve reimbursement requests and to authorize the payment of benefits;
- (f) To appoint such agents, counsel, accountants, consultants, and actuaries as may be required to assist in administering the Plan.

7.2 EXAMINATION OF RECORDS

The Administrator will make available to each Participant such records as pertain to the Participant for examination at reasonable times during normal business hours.

7.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

7.4 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of a particular Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

ARTICLE VIII
AMENDMENT OR TERMINATION OF PLAN

8.1 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of reducing any benefit election of any Participant in effect at the same time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

8.2 TERMINATION

The Employer reserves the right to terminate the Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Contract.

ARTICLE IX
MISCELLANEOUS

9.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 9.11.

9.2 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine, or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other forms in all cases where they would so apply.

9.3 NON-ALIENATION OF BENEFITS

No benefit, right or interest of any person hereunder shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, seizure, attachment or legal, equitable or other process or be liable for, or subject to, the debts, liabilities or other obligations of such person, except as required by law.

9.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Participants.

9.5 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute a contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

9.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter of thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

9.7 EMPLOYER'S PROTECTIVE CLAUSES

- (a) Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by the Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium, if any, received by the Employer or the Participant as a result of the Participant's claim.
- (b) The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurance to make payments provided for under any Insurance Contract, or for the action of any person which may delay or render null and void or unenforceable, in whole or part, an Insurance Contract.

9.8 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but shall instead be considered general assets of the Employer until the Premium Expense required under the Plan has been paid. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

9.9 OTHER SALARY-RELATED PLANS

It is intended that any other salary-related employee benefit plans that are maintained or sponsored by the Employer shall not be affected by this Plan. Any contributions or benefits under such other plans with respect to the Participant shall, to the extent permitted by law and not otherwise provided for in such other plan, be based on his or her total compensation from the Employer, including any amounts by which his or her salary or wages may be reduced pursuant to the provisions of Section 3.2.

9.10 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal Law, the provisions of this Plan shall be construed, enforced, and administered according to the laws of the State of Georgia.

9.11 SEVERABILITY

If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect the other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

9.12 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge, or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction or any provision thereof.

9.13 CONTINUATION OF COVERAGE

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980 or Code Section 5000 becomes unavailable, each Participant will be entitled to continuation coverage as provided in Code Section 4980.

IN WITNESS WHEREOF, this Plan document is hereby executed this _____ day of _____.

WITNESSES AS TO EMPLOYER

By: _____
EMPLOYER

By: _____
EMPLOYER

**CITY OF MORROW
FLEXIBLE BENEFITS PLAN**

SUMMARY PLAN DESCRIPTION

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CITY OF MORROW
FLEXIBLE BENEFITS PLAN

INTRODUCTION

We are pleased to announce that we have established a "premium payment plan" for you and other eligible employees. Under this program, you will be able to pay for insurance coverages that we make available to you with a portion of your pay before Federal income, State income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and social security taxes. Under our Plan, these same expenses will be paid for with a portion of your pay before Federal income or social security taxes are withheld.

Read this Summary Plan Description carefully so that you understand the provisions of our Plan and the benefits you will receive. We want you to be fully informed before you enroll in the Plan and while you are a Participant. You should direct any questions you have to the Administrator. There is a Plan Document on file, which you may review if you desire. In the event that there is a conflict between this Summary Plan Description and the Plan Document, the Plan Document will control. Also, if there is a conflict between an insurance contract and either the Plan Document or this Summary Plan Description, the insurance contract will control.

I
ELIGIBILITY

1. When Can I Become a Participant in the Plan?

Before you become a member or a "participant" in the Plan, there are certain rules which you must satisfy. First, you must meet the "eligibility requirements." After that, the next step is to actually join the Plan on the "entry date" that we have established for all employees. You will also be required to complete certain application forms before you can enroll in the Plan.

2. What Are the Eligibility Requirements for Our Plan?

You will be eligible to join the Plan as of your date of employment with us.

3. When Is My Entry Date?

Once you have met the eligibility requirements, your entry date will be the first day of the month coinciding with or next following the date you met the eligibility requirements.

4. Are There Any Employees Who are Not Eligible?

Yes, there are certain employees who are not eligible to join the Plan. They are:

- Employees who are leased employees
- Employees who are not eligible to receive medical benefits under our group medical plan.
- Certain non-resident aliens whose income is not considered income earned within the United States under Federal tax laws.
- Employees who are considered "self-employed individuals" under the Federal tax law. Partners in a partnership are "self-employed individuals" and therefore are not eligible to participate.

5. What Must I Do to Enroll in the Plan?

Before you can join the Plan, you must complete an "Election Form and Salary Redirection Agreement" to participate in the Plan. This form includes your personal choices for each of the benefits, which are being offered under the Plan. You may opt out of the Plan by submitting a written waiver of participation to the Plan Administrator during each year's open enrollment period or within 30 days of your first becoming eligible to participate in the Plan. If you do not complete an application or submit a written waiver within the specified time, you will be deemed to have elected to participate in the Plan for the purposes of paying your portion of your health related insurance benefits.

II OPERATION

1. How Does This Plan Operate?

Before the start of each Plan Year, you will be able to elect to have some of your upcoming pay redirected to the Plan. The money will be used to pay for group insurance coverage that we are offering to you. The portion of your pay that is contributed to pay for these benefits is never subject to Federal income, State income, or to Social Security and Medicare taxes.

2. When Must I Decide What Benefits I Want?

You are required by Federal law to decide before the Plan Year begins, during the "election period", which insurance benefits you want to pay for through the Plan.

3. When Is the "Election Period" for Our Plan?

When you first meet the "eligibility requirements," your election period will start on that date and run to your "entry date," and continue for thirty days past your "entry date." (You should review Section I on Eligibility to better understand the terms "eligibility requirements" and "entry date.") Then, for each subsequent Plan Year, the election period is established by the Administrator and applied uniformly to all participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period.

4. May I Change My Elections During the Plan Year?

Generally you cannot change the elections you have made regarding insurance benefits after the beginning of the Plan Year. However, there are certain limited situations when you can change your insurance benefit elections. The situations typically involve changes in status which cause you, your spouse, or your dependent to become eligible for or to lose eligibility for coverage under this Plan or an accident or health plan maintained by your spouse or dependent's employer. Such changes in status include:

- . change in your legal marital status;
- . change in your number of dependents for tax purposes;
- . change in your job status or the job status of your spouse or dependent (example: termination or commencement of employment);
- . change in your work schedule or the work schedule of your spouse or dependent (example: a strike or lockout, leave of absence, switch from a part time to a full time schedule);
- . change in the work site or place of residence of you, your spouse or your dependent;
- . your dependent satisfies or ceases to satisfy the eligibility for coverage requirements for unmarried children for your health plan.

Other situations which may permit you to change your insurance benefit elections include a court order requiring the provision of health coverage for your child by you or the child's other parent; entitlement by you, your spouse or your dependent for Medicare or Medicaid; or the utilization of special enrollment rights you may have under HIPAA.

Finally, you will be permitted to change your insurance benefit elections if the cost of your health plan increases or decreases during the plan year. If the change in cost is minor, your election will automatically be adjusted to reflect the new cost. If the change in cost is significant or if the coverages offered by the health plan change, you will have the option of changing your election to reflect the new cost or to revoke your election and to receive coverage under another health plan with similar coverage.

5. May I Make New Elections in Future Plan Years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. However, if you do not change the elections already in place from the previous Plan Year, we will assume you elect each of your benefit elections to remain the same for the upcoming plan year. New elections must be made during the "election period" prior to the beginning of each Plan Year.

III BENEFITS

1. What Benefits May I Purchase?

Under our Plan, you can choose to receive your entire earnings in taxable compensation or use a portion to pay premiums for:

- Our insured group medical plan
- Our insured dental plan
- Our AFLAC Coverage plan

2. What Happens If I Terminate Employment During the Year?

If you leave our employment during the Plan Year, you will remain covered by insurance, but only for a period for which the premiums have been paid for prior to your termination. Under Federal law, you, your spouse, and your dependents may be entitled to continuation of health care coverage. The Administrator will inform you of these rights if you terminate employment.

3. Will My Social Security Benefits Be Affected?

Your social security benefits may likely be reduced because, when you receive tax-free benefits under our Plan, it reduces the amount of contributions you make and that we match to the Federal social security system.

IV HIGHLY COMPENSATED EMPLOYEES

1. Do Limitations Apply to "Highly Compensated Employees?"

Under the Internal Revenue Code, "highly compensated employees" generally are Participants who are officers, shareholders or highly paid. You will be notified by the Administrator each Plan Year whether you are a "highly compensated employee."

If you are within this category, the amount of contributions and benefits may be limited so that the Plan does not unfairly favor highly compensated employees, their spouses or dependents.

V

GENERAL INFORMATION ABOUT OUR PLAN

This section contains certain general information, which you may need to know about the Plan.

1. General Plan Information

CITY OF MORROW FLEXIBLE BENEFITS PLAN is the name of the Plan.
The three digit Plan Number for the Plan is 520.

The provisions of the Plan become effective on December 1, 2010, which is called the Effective Date of the plan.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on December 1 and ends on November 30.

2. Employer Information

Your Employer's name, address, and identification number are:

City of Morrow
1500 Morrow Road
Morrow, GA 30260
58-0939202

The Plan allows other employers to adopt its provisions. You or your beneficiaries may examine or obtain a complete list of employers, if any, who have adopted your Plan by making a written request to the Administrator.

3. Plan Administrator Information

The name, address, and business telephone number of your Plan's Administrator are:

Plan Administrator of the
City of Morrow Flexible Benefits Plan
1500 Morrow Road
Morrow, GA 30260
770-961-4002

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan.

4. Service of Legal Process

The name and address of the Plan's agent for service of legal process is:

Same as the Plan Administrator

VI
SUMMARY

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our flexible benefits plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE ADMINISTRATOR

CITY OF MORROW

ELECTION FORM AND COMPENSATION REDIRECTION AGREEMENT

Name: _____

Social Security Number: _____

Plan Year: December 1, 2010 to November 30, 2011

As an eligible participant in the Flexible Benefits Plan, I have the ability to pay for my share of the premiums for the health related insurance coverages I choose to participate in with **Pre-Tax** dollars. Although paying for the premiums with Pre-Tax dollars will reduce my out of pocket costs for my share of those premiums, I may elect to pay for my share of the premiums with **After-Tax** dollars. Accordingly, in the spaces below, I choose the indicated tax treatment for my payroll deductions subject to the terms of my employer's Flexible Benefits Plan. If I do not have coverage under one of the listed types of coverage, I have indicated so by marking "N/A" for that type of coverage.

<u>Coverage</u>	<u>Tax Treatment of Payroll Deductions</u> (choose one for each type of coverage)		
Group Health Insurance	Pre-Tax _____	After-Tax _____	N/A _____
Group Dental Insurance	Pre-Tax _____	After-Tax _____	N/A _____
AFLAC Coverages	Pre-Tax _____	After-Tax _____	N/A _____

I understand that:

- If I do not complete this form and return it to the Plan Administrator prior to the first day of the Plan Year, I will be deemed to have elected to pay for my share of premiums for any of the above listed health related insurance coverages for which I have enrolled with pre-tax salary reductions pursuant to the terms of this Plan.
- If my required contributions for the selected benefits are increased or decreased while this agreement remains in effect, my compensation redirection will automatically be adjusted to reflect that increase or decrease.
- Prior to the first day of each Plan Year I will be offered the opportunity to change my benefit election for the following Plan Year. If I do not complete and return a new election form at that time, I will be treated as having elected to continue my benefit coverage and amount of compensation redirection then in effect for the new Plan Year.
- I cannot change or revoke this compensation redirection agreement at any time during the Plan Year unless I have a change in family status or a member of my family or I have a change of employment status.
- The Plan Administrator may reduce or cancel my compensation redirection or otherwise modify this agreement in the event he believes it advisable in order to satisfy certain provisions of the Internal Revenue Code.
- The above amounts of my compensation redirection will be credited to the insurance account(s) and will be paid on my behalf for the applicable expenses incurred during the Plan Year.
- My Social Security Benefits may be slightly reduced as a result of my election.

THIS AGREEMENT IS SUBJECT TO THE TERMS OF THE EMPLOYER'S FLEXIBLE BENEFITS PLAN AS AMENDED FROM TIME TO TIME IN EFFECT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH APPLICABLE LAWS AND REVOKES ANY PRIOR ELECTION AND COMPENSATION AGREEMENT RELATING TO SUCH PLAN.

Employee's Signature _____

Date _____