


APPROVAL <i>Slw</i> 	REQUEST FOR COUNCIL ACTION	MEETING DATE October 3, 2017
REPORTS & RECOMMENDATIONS	Adopt the Direct Payment provision for the Service and Expense Agreement with Principal Life Insurance Company (Principal Financial Group) for Administration of the City of Franklin Defined Benefit Retirement Plan	ITEM NUMBER <i>G.8.</i>

Background

In mid-2008, the City established the current administrative provisions of the Defined Benefit Retirement Plan in accordance with a prior Resolution of the Common Council. The City of Franklin, as the employer, guarantees the required pension payments by virtue of being the plan sponsor. The current services agreement with Principal Life insurance Company (Principal Financial Group) causes Principal, upon initiation of benefit payments to a participant, to also provide such a guarantee through the issuance of a certificate to the participant guaranteeing benefit payments by Principal should the City not meet its obligations.

Principal requires certain asset levels and more conservative investment management than that required by the investment policy for the plan. The asset levels required by Principal to provide such a guarantee effectively requires a higher level of advanced contributions to the Plan than is required by the "Direct Payments" plan administration option. The City, for example, made an extraordinary \$900,000 contribution to the plan in January, 2017 to boost the plan assets and ensure it met the requirements of the current plan administration option. Nonetheless, Principal has notified the City that six additional participants are or will be eligible to request benefit payments by the end of 2018. When all six elect their benefit payments, the plan's funded status and Principal's investment requirements would require the City to contribute an additional \$1.4 million prior to initiating those participants' benefits with the guarantee certificate. Effectively, the City would be required to make a payment to cover additional future participant pension payments, not immediate pension obligations, simply to have a second guarantee issued by Principal. This will also likely increase the annual required contributions to the plan due to the more conservative nature of the investment allocation.

Analysis

The Service and Expense Agreement (Service Agreement) for administration of the plan is not a portion or component of the Defined Benefit Retirement Plan itself. The Service Agreement is an agreement between the City of Franklin and Principal indicating how they will handle the administration of our plan. The Defined Benefit Retirement Plan, on the other hand, defines the agreement between the City of Franklin and its employees who participate in the plan. Therefore, absolutely no benefits of the Defined Benefit Retirement Plan are altered in any way by a change in the administration Service Agreement, just as was the case in 2008 the last time the Service Agreement payment option was changed. Payments to participants will occur in the exact same manner as currently, and benefit levels are not impacted in any way, because, again, the Service Agreement for administration is not part of the retirement plan itself. Our representative from Principal and our labor counsel both concur with this assessment.

Currently, the City and employees are annually contributing sufficient assets to fully fund the plan in the next few years. Fully funding the plan is the best guarantee the participants have to guarantee benefit payments. Those funding levels change over time with plan benefits changes, asset

performance, and plan experience, to name a few factors. Contribution levels can and do change over time as these various factors change. Nonetheless, the City has an obligation to fund the plan in accordance with federal law. The City has, and always will, meet its pension obligations over the extended period while the plan remains in place.

Modifying the Service Agreement for administration of the plan to select the Direct Payments option will eliminate the issuance of Principal's third-party guarantee to new retirees and eliminate the additional level of, what amounts to, early funding requirements. It does so, in part, by not requiring funding of the added costs and profit Principal adds in when considering what it determines are its risks and potential costs associated with it providing a guarantee. In the Direct Payments option, all payments are made to retirees in exactly the same manner as currently and are paid directly from the assets of the Plan. The Principal certificate and guarantee would remain and apply for any existing retirees that already received a guarantee and are receiving benefits under the existing payment option. This modification would not require a plan amendment.

Options and Fiscal Impact

Take no action and anticipate the need for making another extraordinary Defined Benefit Retirement Plan contribution(s) in excess of \$1 million in the near term.

Modify the Services Agreement with Principal for administration of the plan to the Direct Payments option, thereby removing Principal's third-party guarantee of the benefit payments upon benefit election and eliminating the need for enhanced early funding of benefits. This option does not alter the direct pension costs to the Defined Benefit Pension Plan, except also eliminating the one-time fee charged by Principal for the issuance of a participant annuity.

Recommendation

Staff recommends modification of the Principal Service and Expense Agreement to adopt the Direct Payment option of benefit payments.

A copy of the existing Service and Expense Agreement is attached. See Page 31 of 31 for election of Direct Payments.

COUNCIL ACTION REQUESTED

Motion directing and authorizing the Director of Administration to amend or execute a Service and Expense Agreement with Principal Life Insurance Company (Principal Financial) to adopt the Direct Payment option related to the City of Franklin Defined Benefit Retirement Plan.



Service and Expense Agreement

This Agreement is made by and between the Plan Representative which signed this page ("you", "your") and the member company of the Principal Financial Group® which also signed this page ("we", "us", "our"). You and we are the "Parties" to this Agreement. Each of the Parties may be referred to separately as a "Party".

This Agreement consists of this page, the following pages, and the attachments. These are all incorporated in, and made a part of, this Agreement for all purposes. By signing this page, the Parties agree to all the terms of this Agreement and to be bound by any and all parts of it as if the Parties had signed at the end.

Each of the Parties represents and warrants that it has the authority to enter into this Agreement and will be bound by it. Each individual signing this Agreement represents and warrants that she or he has, by themselves or together with any other persons signing this Agreement for the same Party, the authority to sign this Agreement and make it binding on the Parties.

This Agreement sets out the understanding of the Parties on the matters covered in the Agreement. It supersedes and cancels any and all prior agreements, understandings, or representations between the Parties, whether written or oral, relating to these matters. The Parties understand, however, that there may be some aspects of the relationship between the Parties that are incompletely or imperfectly described in this Agreement. To the extent that it helps fill in those gaps or interpret this Agreement, the course of dealing between the Parties, including the practices and procedures arising in that course of dealing, will be considered a part of this Agreement and enforceable as if included in it. This use of the course of dealing will not amend this Agreement in any way.

Asterisked ("*") Paragraphs -- Paragraphs following underlined headings marked with asterisks will survive the termination of this Agreement.

We cannot and do not give legal, tax, or accounting advice. Nothing set forth in this Agreement or in any part of the optional services or related documents that we provide, or any communication with you or any Plan Entity may be taken or relied on as legal, tax, or accounting advice. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax, or accounting obligations and requirements.

Effective Date of this Agreement: 01/01/2011

CITY OF FRANKLIN
(Plan Representative)

Principal Life Insurance Company
(Member Company of the Principal
Financial Group)

By: _____

Title: _____

Date: _____

State: WI

By: _____

Title: Chairman, President and Chief Executive Officer

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ARTICLE I GLOSSARY

Capitalized terms used in this Agreement will have the meanings set out in this "Glossary" unless a different meaning is plainly required by context. Some attachments may modify Glossary terms for the purposes of those attachments.

"Account" means, with respect to a defined contribution Plan to which we have agreed to provide Services, an individual account established for a Participant. "Account" means, with respect to a defined benefit Plan, the portion of the assets of a defined benefit Plan with respect to which we agree to provide Services.

"Default Option" means the Plan-level Default Option or the Participant-level Default Option.

If a Default Option selected by you with regard to a Plan is not available, or becomes unavailable, to that Plan, then the selected Default Option will be the money market option available to the Plan or, if there is no money market option or if the money market option is not available to new deposits, the investment option with the lowest three year standard deviation available to the plan, as provided to us by Morningstar, or another such service if Morningstar discontinues publication of such data.

"Deposits" means contributions to a Plan or transfers of Plan assets that are forwarded to the Funding Agent as described in this Agreement. Deposits must be by electronic transfer of immediately available funds.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Fee" means any amount due and payable to us under this Agreement.

"Funding Agent" means the trustee or other entity that (i) can receive and hold assets of a Plan and (ii) has been retained to do so with regard to the Plan. The Funding Agent either holds, or has made arrangements with others to hold, Investment Options on behalf of the Plan. The Funding Agent may be either Delaware Charter Guarantee & Trust Company, a Delaware corporation conducting business under the trade name of Principal Trust Company, or another entity, which we agree to treat as Funding Agent under this Agreement.

"Governmental Action" means any Federal or State law, regulation, notice or any other ruling to which we, the Plan, the Plan Sponsor, or you become subject to that impacts this Agreement in any way.

"IRC" means the Internal Revenue Code of 1986, as amended.

"Investment Option" means (i) any financial instrument which may legally be used to fund a Plan and (ii) with respect to which we agree to provide Services. Nothing in this Agreement will be taken as amending, modifying, or waiving any terms and conditions of any Investment Option.

"Major Business Change" reflects the fact that we have made various Service and Fee commitments in this Agreement based on a variety of facts and circumstances concerning each Plan and, to the extent that these facts and circumstances change with regard to a Plan, we may not be able to provide Services to that Plan for the Fees under the new facts and circumstances. As a result, we retain the right to change our Fees and Services, as described in Article VIII Fees with respect to a Plan in the event of:

- a change in the structure or operations of that Plan or an entity either that sponsors that Plan or employs Participants, if we determine the change would have a material impact on the structure, nature, or operations of that Plan, including changes to cash flow or Investment Options, or a change to investment operations, or
- our discovery of meaningful differences with regard to
 - data related to a Plan that was provided to us prior to the end of the transition period and data that we receive following the end of the transition period or
 - the amount of assets we expected to be transferred into Investment Options with regard to a Plan before the end of the transition period and the amount of that Plan's assets actually transferred into Investment Options at the end of the transition period.

For the purposes of this Agreement, the transition period with regard to a Plan ends on the later of:

- our receipt of all data that we need to begin to perform Services without need for additional data or
- your giving us Notice that there are no more Plan assets to be transferred into Investment Options.

Major Business Changes may include; a change of Plan type or Plan or annuity contract termination or spin-off; a Plan merger/spin-off; a greater than 25% change in the value of the Plan assets or the number of Participants; a change in compensation paid by us to financial professionals; and the addition or removal of any Investment Option.

"Notice", "Notify", and "Notification" means a communication between the Parties or between us and the sponsor of a Plan, if the sponsor is not a Party. Notice may also be from a Participant to us as allowed by you and the Plan Document. A communication intended to be a Notice may be written communication, facsimile transmission, telephone call, or electronic transmission in any form, and to any address, e-mail address, or fax or telephone number that the Parties agree to in advance. A message that we make available to you on the Principal Sponsor Service CenterSM site and Principal Message CenterSM will constitute a Notice to you. A communication to us that is intended to be a Notice to us must be sufficiently clear and complete so that we can use it without requesting further data or instruction in order to be a Notice. Notice given by us will be sufficient in whatever form that we provide it. We may not, and are forbidden to, take any action based on any form of communication other than either a Notice or a form of legal compulsion, including a subpoena.

The Parties may agree to security procedures for Notices and will treat such procedures as strictly confidential, making them known only to such of their respective employees that need to know. If we have not given you Notice as to the form in which a communication intended to be a Notice to us should be made, then that communication must be in writing or e-mail to qualify as a Notice.

"Participant" means a person who is, or may become by the operation of a Plan, entitled to benefits under that Plan.

"Participant-level Default Option" means the Principal Money Market Separate Account for Plan 361989, and Principal Money Market Separate Account for Plan 455559 in situations where we have received sufficient Notice to determine the Account to which amounts are to be allocated, but Notice is insufficient to allow us to determine the Investment Options to which such amounts are to be allocated.

"Participant-level Information" means specific and confidential information relating to individual Participants and their beneficiaries, including personal investment account balances, dates of birth, dates of employment, social security numbers, name of beneficiary, Participant compensation amounts, job titles, and identification of Participants who have met the IRS deferral limit.

"Plan" means the:

1. CITY OF FRANKLIN CERTAIN EMPLOYEES' RETIREMENT PLAN (361989)
2. CITY OF FRANKLIN BARGAINING EMPLOYEES' RETIREMENT PLAN (455559)

To the extent that more than one is named, the term "Plans" will refer to any two or more of the Plans.

"Plan-level Default Option" means the Principal Money Market Separate Account for Plan 361989, and Principal Money Market Separate Account for Plan 455559 in situations where (i) we have not received Notice containing instructions regarding which Account(s) amounts are to be allocated and (ii) we are not able to determine what amounts are to be allocated to what Account.

"Plan-level Information" means general information relating to a Plan as opposed to a specific Participant, including the aggregate value of that Plan's Investment Options, employer data, provisions of Plan Documents, and other materials and records not consisting of Participant-level Information.

"Plan Document" means the document(s) under which a Plan is established and maintained.

"Plan Entity" means a Plan, any trust, contract, or custodial arrangement funding the Plan (or the trustee of custodian in connection with those arrangements). The term can apply to any one of the listed terms singly or in any combination.

"Successor" means, with regard to any Plan, any trustee, custodian, or insurance company (other than us, an affiliated company, or any entity retained by the Funding Agent in furtherance of its services) to whom a Transfer is made as part of the termination of our providing Services with regard to the Transferred amounts and who may lawfully receive such Transfer.

"Services" means the services specifically set out and described in this Agreement. Some Services may require additional documentation.

"State" means the state in which this Agreement is signed by the Plan Representative.

"Transfer" means a transfer of, or the act of transferring, cash as described in "Transfers" under "General Provisions".

ARTICLE II GENERAL SERVICES & ATTACHMENTS

The Services you select for each Plan are described in this Agreement.

The attachments that are a part of this Agreement at the time the Agreement is signed by both Parties may be severed from, and cease to be a part of, this Agreement if either:

- the Parties agree, in a signed writing, to terminate the attachment with regard to one or more Plans or
- one Party gives the other 30 days advance Notice specifying the attachment and the Plan to which the attachment relates, that is to be terminated and the other Party does not give Notice objecting to the termination within that 30 day period.

In the event that an attachment is terminated, we will be entitled to all Fees associated with the Services described in such attachment for the entire period up to and including the date on which the attachment terminates. Effective upon the termination of an attachment, all references in this Agreement to the attachment, the Services described in the attachment, and Fees related to those Services, will be deemed deleted from the Agreement as if done so by written agreement of the Parties, as described in the amendment section of Article III of this Agreement.

Attachments can be added to this Agreement and, once added, will become a binding part of this Agreement by either:

- the Parties agreeing, in a signed writing, to add the attachment with regard to one or more Plans or
- one Party giving the other 30 days advance Notice, specifying the attachment and the Plan to which the attachment relates, that is to be added to this Agreement (the Notice must include a complete copy of the attachment) and the receiving Party not objecting to the addition within that 30 day period.

ARTICLE III GENERAL PROVISIONS

Making Deposits. You will arrange for Deposits to be made. We will not do so. We have no obligation to collect any Deposits. We will not be required to inquire about the payment or amount of any Deposit.

Treatment of Deposits. All directions regarding the allocation and investment of Deposits that we receive in a Notice will be forwarded to the Funding Agent. If we receive incomplete Notice regarding the allocation or investment of all or any part of a Deposit, we will direct the Funding Agent to invest the portion of the Deposit for which we have no allocation directions in the appropriate Default Option. We have no obligation to, and will not, give you or any Participant a specific Notification of any such actions taken due to the incomplete nature of the Notice. The next periodic report of Investment Options or Account balances, where appropriate, will serve as Notice of amounts received since the last periodic report. The Plan sponsor has access to information via the Principal Sponsor Service Center to identify contributions directed to the Participant or Plan-level Default Option.

Transfers. If we receive Notice directing the liquidation of any Investment Option and the Transfer of the proceeds to a Successor or another Investment Option, we will forward that direction to the Funding Agent. If on any day we receive more than one direction to liquidate an Investment Option and Transfer the proceeds with regard to a Plan or, where applicable, a Participant, we will only forward the last such direction that we receive. All prior directions that we have received on that day relating to that Plan or Participant will be considered as superseded and canceled, even if they relate to different Investment Options.

We have standard procedures for processing Notices giving investment instructions. Generally, all such Notices that we receive prior to 3:00 p.m. Central Time (or the close of relevant markets, if earlier) on a business day will be processed at the close of that business day, as long as they are accurate and complete. If the Notice is received later, the instructions will be processed on the next business day.

***Effect of Transfer.** We will provide a final accounting with regard to Transfers. This will show the Transfer and the effect of the Transfer. We will not be responsible for providing any Services with regard to amounts Transferred to a Successor. The final accounting will be provided in a reasonable time period after the Transfer occurs.

Services. We will provide Services in a timely manner at all times this Agreement is in force. This is subject to your fulfilling the role required of you with respect to each of those Services, our receipt of Notice containing timely and correct data, and our receiving timely payment of Fees. If you propose timing for a Service other than our standard timing, you must give us at least 60 days prior Notice. We may, but are not obligated to, accept your proposed timing. If we do so, we will Notify you of our acceptance.

***Records/Reports.** We will keep accurate, detailed records and make reports to the Plan or Participants and others as you direct in a Notice. Ninety days after we furnish those reports, we will be released and discharged from all liability concerning our performance with regard to this Agreement, as reflected by the reports. This will not apply to any performance as to which written objections have been filed with us within the 90-day period. The Parties agree to provide to each other, on a timely basis, such reports and records as the other may reasonably require in the performance of their respective obligations under this Agreement. This includes the orderly termination of this Agreement.

Participant Statements. The Department of Labor (DOL) has issued Field Assistance Bulletin 2006-03 which outlines the ways in which electronic media may be used to deliver Participant statements under good faith compliance until final DOL regulations are issued. The appropriate plan fiduciary is responsible for ensuring compliance with DOL regulations, including whether Participants, former employees, beneficiaries, and alternate payees have appropriate access to electronic media. If you authorize and direct us to provide online Participant statements and the appropriate Mailing Election is chosen in Article V:

- You will inform Participants when statements are available. We will inform you when statements are available via Message Center and include a sample message that can be used to notify Participants.
- You will provide the option for Participants to opt-out and elect paper statements. Participants can elect paper delivery of statements by logging onto their personal account through www.principal.com
- Participants will not receive paper statements unless the Participant requests to receive statements on paper.

***Other Fees.** Our Fees may include supplemental amounts charged by us, in our sole discretion, if any part of a Service must be redone or revised because of any incomplete or incorrect information provided to us by you or by a Participant. Any of the amounts described in this Section will be treated as Fees and paid as described above. We will pay from the Accounts, in the manner you direct in a Notice, other charges, or expenses that the Plan can pay under the Plan Document and applicable law.

From time to time, inadvertent administrative errors may occur in processing transactions so that our standard procedures are not followed. If we are responsible for the error, we are committed to restoring to the Plan or Participant the value that would have

applied if the error had not occurred, and we will reimburse the Plan or Participant, as applicable, for any loss caused by our errors. In exchange for our commitment to correct losses resulting from errors, and other Services to the Plan, we will be entitled to retain amounts remaining after errors are corrected ("gains") as part of our compensation for Services.

Our service guarantee goal is to provide you with outstanding service. We are so sure we can provide it promptly and accurately that we guarantee it. If you are unhappy with a specific Service we provided, just tell us. We promise to fix the problem to your satisfaction. If we are unable to do so, we will waive the Fee for that Service, provided a Fee is due from you, or we will provide a comparably valued additional Service to you for no additional Fee. This guarantee will not, however, apply to situations where the problem resulted from our receipt of late, incomplete, or inaccurate information.

***Status.** Nothing in this Agreement, nor in the provision of Services, makes us a party to, or a fiduciary or administrator regarding, the Plan or any Plan Entity.

***Limitation on Our Duties.** We will not be under any duty while performing any part of this Agreement greater than a duty of ordinary care, or:

- to take any action with regard to any Plan Entity, unless we specifically agree in writing to do so,
- to inquire into the correctness, completeness or any other respect of any Notice, communication, or other matter regarding any Plan Entity,
- to enforce any provision of a Plan or any trust or other arrangement funding that Plan,
- to inquire about the status or performance of a Plan, any Plan Entity, or any Successor, with regard to that Plan,
- to perform Services with respect to any amounts that are not Deposits or their proceeds.

Our duties and performance under this Agreement do not give us knowledge of any underlying fault or problem with regard to the Plan or any Plan Entity.

***Limitation on Our Liability.** Our performance under this Agreement is heavily dependent on information provided to us by Notice. We will not be responsible for any improper performance of, or failure to perform, a Service due, in whole or in part, to receipt of no, or incomplete or incorrect, data needed to perform that Service.

We rely on you or your designee, or a Participant, to give us the information that we need to provide the Services. Your cooperation is necessary to our acting timely and accurately. We will not be obligated to perform any Service if we do not receive the timely, accurate, and complete information we need to perform that Service.

We will not be liable with regard to any performance, failure to perform, or partial performance of, a Service when we are acting based on late, incomplete, or inaccurate information. We will Notify you of our need for information via the Principal Sponsor Service CenterSM site and Principal Message CenterSM.

We are only obligated to provide Services and nothing more. While we may, from time to time, agree to perform other or different actions or services with regard to the Plan or other Plans, we are under no obligation to do so. No such obligation is implied in this Agreement or by our performance, nor may any be inferred.

Please note that not all Services will be available to all Plans. Our provision of a Service with regard to a Plan does not imply any obligation on our part to provide that, or a similar, Service to any other Plan, nor may any such obligation be inferred.

***Right to Rely.** We may rely conclusively on any Notice we receive. We will not have any liability for any losses that may arise from the acts, omissions, delays, or inaction of any other person not affiliated with us.

Compulsory Distributions. We will not be under any duty to make a compulsory distribution from the Plan without Notice from you. If with regard to any compulsory or partial compulsory distribution from a Plan (including a minimum required distribution) we do not receive Notice specifying the Investment Options to be liquidated or any other instructions necessary for such distribution to be made, we will, and you authorize us to, direct the Plan Funding Agent to liquidate Investment Options pro rata (to the extent) possible, in the relevant Account and invest the proceeds in shares of a money market mutual fund. If we receive no Notice providing information that we may reasonably require in order to distribute the proceeds of such liquidation to the affected Participant(s), we will use our best efforts to pay the proceeds directly to the affected Participants and will be recompensed by you for any additional costs or expenses incurred in doing so.

Duration of Agreement. This Agreement will remain in effect indefinitely. It will be fully binding on the Parties. It will also extend to their respective successors and assigns. This Agreement, may, however, be terminated, in whole or with regard to one or more of the Plans, by the Parties on at least 60 days prior written Notice to the other.

If the Funding Agent is an affiliate of ours, termination of a Plan's relationship with the Funding Agent will also constitute Notice to us of termination of this Agreement with regard to that Plan. (The period between the Notice of, and the date for, termination of this Agreement will be referred to as the "termination period" below.)

Effect of Termination. During the termination period, we will with regard to a terminating Plan:

- accept Notices regarding Transfers to the Successor, except for the last five days of the termination period,
- accept Deposits and Notices regarding the allocation of Deposits, except for the last 10 days of the termination period,
- accept Notices regarding Transfers between Investment Options, except for the last 10 days of the termination period, and
- cease to accept Notices regarding Transfers between Investment Options if, at the time such Notice is furnished, operational, timing, legal, or documentary restrictions regarding the Investment Options would make liquidation of such Investment Options impossible or impracticable.

We will direct the Funding Agent to liquidate or transfer in-kind (if available) all remaining Investment Options and convey such to the Successor at the end of the termination period.

We will provide to you a final report with regard to all Accounts as of the end of the termination period. We will not be obligated to make any further reports regarding the Plan or any portion of the Plan, except as described under "Records / Reports" above and "Cooperation" below.

The actions required to terminate this Agreement are to be completed as soon as possible after Notice of termination of the Agreement.

Final Termination. This Agreement will terminate at the end of the termination period, except that paragraphs following underlined headings marked with asterisks will survive the termination of this Agreement.

Assignment - Assets. We understand that none of the Investment Options are to be subject to any kind of anticipation, alienation, sale, transfer, assignment, pledge, charge, or encumbrance except as may be provided for in the Plan document or applicable law. We will act accordingly in providing the Services. Neither this nor anything in this Agreement may be interpreted as impairing our ability to collect Fees.

Assignment - Rights. Neither this Agreement, nor any right, title, interest or performance with regard to this Agreement may be alienated, assigned, anticipated, in any manner, without the express written agreement of both Parties. Notwithstanding the non-assignability of the above, we may retain one or more affiliated companies to perform services, but we will retain responsibility for performance of those services.

Amendment. No variations, modifications, or amendments of this Agreement, or any term or condition, will be binding on either Party, unless made by:

- written agreement executed by both Parties, effective as agreed on,
- Notice from you to us of a change in the name of the Plan,
- 30-day advance Notice to you of changes required by law, or
- modification of financial professional or broker dealer access via the Principal Sponsor Service CenterSM, or
- Notification to you:
 - regarding changes to this Agreement required by a Major Business Change, effective upon the sending of the Notification,
 - of changes to Fees, including increasing any Fee from zero, effective 60 calendar days after the giving of the Notification, subject to any Fee guarantees set out in this Agreement,
 - describing the changes made under "Enforceability and Severability" below and our "core Services", effective as set out in the Notification,
 - accepting a proposed timing for a Service effective as set out in the Notification,
 - regarding changes to this Agreement required by a Governmental Action, effective on the sending of the Notification, or
 - regarding changes reflected in a revised Fee summary, or
 - as specifically stated elsewhere in this Agreement.

This Agreement may be amended in accordance with this section at any time and without the approval of, or communication to, any entity other than a Party.

*Cooperation. The Parties agree to cooperate and act in good faith in all actions regarding this Agreement and the provision of Services. This requirement of cooperation in the event of the termination of this Agreement will include the continued provision of

information and reports between the Parties that are reasonably needed to affect the transfer of data and Investment Options necessary to terminate this Agreement with regard to any Plan and allow the Successor to perform its duties.

Waiver. No failure or delay to exercise, nor any single or partial exercise of, any right, power, or privilege given or arising under this Agreement will operate as a waiver of future rights to exercise any such right, power, or privilege.

*Construction. This Agreement will be construed in accordance with the laws of the State. This Agreement will be construed according to the fair intent of the language as a whole and not for or against any Party. To the extent it is necessary to obtain this treatment under the laws of the State, the Parties agree to treat this Agreement as if it were jointly drafted by the Parties. The term "including" (in its various forms) will be construed as providing examples only and as being without limitation. Nothing in this Agreement will be taken as amending, modifying, or waiving any terms and conditions of any other agreement.

Counterparts. This Agreement may be signed in any number of counterparts, each of which will be considered an original, but all of those counterparts will together constitute only one Agreement.

Enforceability and Severability. The determination that any provision of this Agreement is not enforceable in a particular jurisdiction will not affect the validity or enforceability of the remaining provisions generally, or in any other jurisdiction or as to any other entities not involved in that judgment. Such unenforceable provisions will be stricken or deemed modified in accordance with such determination and this Agreement, as so modified, will continue to be in force and effect.

*Taxes. Income taxes, taxes of any other kind, or fines or penalties may be directly or indirectly levied or assessed on, or with regard to, any Investment Option or any Plan Entity. These amounts are to be satisfied from the affected Accounts, to the extent allowed by law. Any such amounts will be treated as Fees and either be deducted or billed as if they were Fees.

We will not have any responsibility to any Plan Entity for the tax treatment of the Plan, any Participant, or any Transfer.

*Force Majeure. We will incur no liability to you or any Plan Entity and will not be responsible for delivery or non-delivery or error in transmission of reports or Notices that is caused by a third party. We will also not be responsible for any delay in performance, or non-performance, of any obligation hereunder and for any loss to the extent that such delay in performance or non-performance or such loss is due to forces beyond our reasonable control including delays, errors, or interruptions caused by third parties, any industrial, judicial, governmental, civil or military action, acts of terrorism, insurrection, or revolution, nuclear fusion, nuclear fission or radiation, failure or fluctuation in electrical power, heat, light, air conditioning, or telecommunications equipment, or acts of God.

Fiduciary Statement. We, as an investment manager, are a fiduciary with regard to the selection, monitoring, and retention of the portfolio managers for our separate accounts. We are also a fiduciary with regard to the selection and monitoring of our Sub-Advised Funds and the Principal Trust Target Date Collective Investment Funds as appropriate investment options to be offered to retirement plans. ERISA imposes on the plan administrator ongoing accountability for the selection and monitoring of those to whom specific fiduciary responsibilities have been delegated or on whom the plan administrator is depending for help in meeting its own fiduciary obligations.

We will hold harmless and indemnify the appropriate named fiduciary of a Plan from claims by a Participant sustained through judgment by a court of competent jurisdiction on grounds of our negligence in the selection, monitoring, and retention of the portfolio managers for our separate accounts, or in the selection and monitoring of the appropriateness of the Sub-Advised Funds, or the Principal Trust Target Date Collective Investment Funds for retirement plans.

Implementation. The fiduciary obligation described in the immediately preceding paragraph arises independently of this Agreement. It does not affect or relate to this Agreement. It does not affect or relate to any duties, performance of the obligations of ours under this Agreement, in any way. The indemnity is effective only if we receive timely Notice of a claim with regard to which indemnity is sought and your cooperation in responding to such claim. For the purposes of this and the preceding paragraph, "plan administrator" means the entity charged with the administration of a plan, as defined in ERISA §3(16).

ARTICLE IV DISPUTE RESOLUTION

***General.** In the event that there is any dispute between the Parties regarding:

- this Agreement;
- any Services;
- any rights, duties, or obligations explicitly or implicitly granted or arising under this Agreement;
- any transaction made under this Agreement; or
- any construction or application of this Agreement,

the Parties will try in good faith to first resolve all such disputes as described below.

The Parties agree that all discussions and communications during the dispute resolution process will be, and will remain, confidential to the fullest extent allowed by applicable law. The Parties agree to treat all such discussions and communications as compromise and settlement negotiations for the purposes of any rules of evidence.

***Negotiation.** If the Parties cannot resolve a dispute in the ordinary course of business, the Party claiming a dispute against the other shall give the other Notice of that dispute in writing, stating the nature of the dispute and the relevant facts, including documentation, and referring to this article. The other Party will then have 15 calendar days to make a complete, written response in a Notice to the other. The Parties will meet to discuss the dispute. If practicable and mutually desirable, the Parties will meet in person. If the dispute remains unresolved for any reason after 60 calendar days following the mailing of the response, the Parties will then proceed to mediation.

***Mediation.** The Parties will, as soon as commercially reasonable after the 60 calendar day period referred to under negotiation, above, initiate the mediation process and endeavor in good faith to settle their dispute by mediation. Unless the Parties agree to the contrary, the mediation will conform to the then current Mediation Rules for Commercial Financial Disputes of the American Arbitration Association or such similar organization as the Parties may agree. If the Parties cannot agree on a neutral mediator, one will be appointed by the American Arbitration Association in accordance with its mediation rules. Mediation will occur within 60 days of the initiation of the mediation process. The Parties will share equally in the Fees and expenses of the mediator and the cost of the facilities used for the mediation, but will otherwise bear their respective costs incurred in connection with the mediation. The mediation shall be non-binding. If the dispute remains unresolved for any reason after the completion of the mediation process, the Parties will then proceed to arbitration.

***Arbitration.** If a dispute is to be resolved by arbitration, the arbitration proceeding will take place in the capital city of the State, unless the Parties agree to the contrary. The arbitration will be governed by the Federal Arbitration Act.

There will be three arbitrators, each of which will be selected, and the arbitration conducted, in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), except that the provisions of this Agreement will control over the AAA rules where the Agreement and the Rules differ or the Rules are silent.

The arbitrators must be attorneys (current members of the bar of the State or retired from active practice within the past 5 years) who are familiar with, and have practiced in, the areas of law relevant to the arbitration.

The Parties will share equally in the Fees and expenses of the arbitrators and the cost of the facilities used for the arbitration hearing. Each Party will bear all other costs and expenses that it incurs in connection with the arbitration.

Depositions will not be allowed, but information may be exchanged by other means.

The Parties agree to use their best efforts to ensure that the arbitrators are selected promptly and that the arbitration hearing is conducted no later than 3 months after the arbitrators are selected.

The arbitrators must decide the dispute in accordance with the substantive law which would govern the dispute had it been litigated in court. This requirement does not, however, mean that the award is reviewable by a court for errors of law or fact.

Following the arbitration hearing, the arbitrators will issue an award and a separate written decision that summarizes the reasoning behind the award and the legal basis for the award. The arbitrators may not award punitive damages and may not require one Party to pay another Party's costs, Fees, attorneys' Fees, or expenses. The award of the arbitrators will be binding on each Party. Judgment upon the award may be entered in any federal district court.

*Preliminary Injunctive Relief. The dispute resolution procedures set forth above will be the sole and exclusive procedures for the resolution by the Parties of any disputes which arise out of or are related to this Agreement, except that a Party may seek preliminary or temporary injunctive relief from a court if, in the Party's sole judgment, such action is necessary to avoid irreparable harm or to preserve the status quo. If a Party seeks judicial injunctive relief as described in this paragraph, the Parties will continue to participate in good faith in the dispute resolution procedures described above. The Parties agree that no court which a Party petitions to grant the type of preliminary injunctive relief described in this paragraph may award damages or resolve the dispute. Venue for any judicial proceeding for preliminary or temporary injunctive relief will be in capital city of the State, unless the Parties agree to the contrary. Any objections or defenses based on lack of personal jurisdiction or venue are hereby expressly waived for the purposes of the injunctive relief described in this paragraph.

ARTICLE V CORE SERVICES

This article is designed to allow you to engage us to provide core Plan administrative Services with your choice of certain features and automated services. Optional Services and On-demand Services may be elected by you to meet specific needs, and are listed in Article VI Optional Services and Article VII On-demand Services. For services other than those described in this article, additional Fees may apply. This article is not designed to replace or modify any other article or any part of the Agreement, except as may be expressly set out below.

Your Roles and Responsibilities

Understanding your role as representative is essential to a successful Plan. Your responsibilities in that role generally include:

- sending data to us in a timely manner. Timely receipt of information ensures appropriate deadlines are met.
- reviewing, signing, and filing forms with the Internal Revenue Services, Department of Labor, or any other governmental entity as required by law. While we complete required forms, you retain responsibility for filing.
- retaining fiduciary responsibility. We provide Services. However, by law, you retain fiduciary responsibility for the Plan.
- supporting initiatives to educate Participants about the Plan.
- maintaining a Plan that complies with all applicable Federal and State laws. We provide Services. However, you retain responsibility for Plan compliance.

We reserve the right at any time to update, change or cease providing a Service provided for in this article. Such change would be applied to all Plans receiving this Service. We will give you Notice of the updates, changes or cessation by posting a Notice on the Principal Sponsor Service CenterSM. This Notice will become part of this Agreement.

Plan Sponsor Services

General Services

Account Executive/Relationship Manager

This is your contact person to meet with you to review Plan operations, identify efficiencies and to discuss strategic Plan activities. This person coordinates all other resources available.

***Benefit Edge®* newsletter**

Our newsletter gives you information about our products and services, legislation, our investment platform and services, and other topics potentially affecting retirement Plans.

Client Service Associate / Manager

This is your contact who will answer your questions and provide assistance for your day-to-day Plan activities and compliance matters.

Communication and education plans

We work with your financial professional, as appropriate, to identify education and communication strategies that help meet your retirement plan objectives and plan participant retirement needs. We'll present the proposed plan to you along with a timeline and suggested target dates of communications.

Contribution allocation assistance – defined contribution Plans

We process up to three profit sharing, year end match, forfeiture or minimum contribution requirement or a combination of all, calculations per year based on Plan information.

Daily account valuation

We provide updated Account values and investment information daily for investments that have a daily valuation and as frequently as valued for investments not valued daily.

Direct rollovers – defined contribution Plans

We will process direct rollovers into the Plan, if the Plan document allows.

***Directions Guidebook* Plan operation guide**

This guide provides online information about our Services and your responsibilities. Use the guide to help with the day-to-day Plan activities.

Electronic data reporting

We require data to be submitted to us electronically through the Principal Sponsor Service CenterSM for all Plans.

Electronic Funds Transfer (EFT)

We require EFT transfers of defined contribution plan contributions and assets by our pulling the funds from your bank to us.

Eligibility determination – defined contribution Plans

For Plans meeting the criteria for using this Service, we will identify employees eligible to participate in the Plan based on the data you provide and then communicate with them via postcards how to enroll in the retirement plan. You will receive electronic reports to keep you informed of eligible employees.

Alternative Election:

☒ Do not perform eligibility determination for Plan(s): 361989

Eligibility determination-- defined benefit Plans

Based on Plan information we receive in a Notice, we identify eligible employees based on the data you supply and then communicate with them that they are now an eligible Participant in the defined benefit Plan.

Alternative Election:

☐ Do not perform eligibility determination for Plan(s): _____

Fiduciary handbook and annual fiduciary checklist

This package offers information on the role of an ERISA fiduciary, such as making investment selections, Participant education, and ERISA compliance requirements.

Plan transition

We provide assistance in transferring a Plan from the current service provider to us, including a conversion timeline, investment and education strategy, data gathering and plan review, and assistance with required notification letters to the prior provider.

The Principal Due Diligence ProgramSM

This is our program for evaluating investment managers for Sub-Advised Investment Options.

Principal eFinancial Professional Website—access to Plan and Participant-level information

We provide Plan-level Information to your financial professional(s) and broker dealer. Such information is provided to the financial professional(s) through the Principal eFinancial Professional website. In addition, unless you direct us not to do so, we provide your financial professional(s) and broker dealer access to timely Participant-level Information regarding your plan for purposes of enhancing the quality and scope of Plan options and services provided to Participants. If a Participant consents to the discussion of other products with the financial professional or broker dealer or both, you also consent to those discussions. If you do not wish to grant such access, please check the applicable box below.

Alternative Election:

☐ Do not grant financial professional(s) access to Participant-level Information for Plan(s): _____

☐ Do not grant broker dealer access to Participant-level Information for Plan(s): _____

Future access for your financial professional(s) can be modified via the Manage Security tab on the Principal Sponsor Service CenterSM. Future access for your broker dealer can be modified by Notice from you.

Principal Sponsor Service CenterSM

This website, found at principal.com, helps you fulfill your duties regarding the Plan. You have the ability to send contributions and loan payment data, view or add Participants, access Participants' statements, receive Notice and other messages from us through the Principal Message CenterSM, review consolidated information on any Plan, and receive investment information.

Recordkeeping

We maintain Plan contribution, investment, location, and Participant information. Where applicable, we maintain historical Participant information including compensation and service history. Defined benefit Plan recordkeeping also includes Services to help you comply with Pension Protection Act for an additional Fee:

- Benefit limitation monitoring and calculation of benefit limitations
- Calculation of benefit accruals resulting from Plan accrual restrictions and recovery, if applicable

Additional recordkeeping election:

☐ **Participant Required Contributions – defined benefit Plans**

Individual records of Participants' contributions are maintained for defined benefit required employee contributions.

Sample investment policy statements

At your request, we will provide a sample investment policy statement. This document helps you establish and identify your investment guidelines and objectives that you will then apply within a Plan's investment program.

Sub-Advised investment reports

We furnish reports including the Principal Due Diligence Program quarterly review on Sub-Advised Investment Options and investment bulletins.

Distribution Services

Benefit event process

We process distribution requests upon the Participant's retirement or other termination or death, or disability after we receive electronic notice from you and on-line election by the Participant. This process includes reporting tax information to the Internal Revenue Service.

Death claims

We provide you with the benefit consent and/or notices, as your state requires.

Loan service – defined contribution Plans

See Loan Payout Service attachment.

Qualified Domestic Relations Order (QDRO)

We provide tools to help with the review of court documents, maintain separate retirement benefit records for alternate payees and process distributions. You are responsible for determining the qualified status of the Domestic Relations Order.

Required minimum distributions

We monitor and process required minimum distributions for Participants age 70½ or older, subject to your direction.

Retiree annuity payments—defined benefit Plans

See Benefit Payment Service for Defined Benefit Retired Participants attachment.

Withdrawal distributions

We process hardship distributions and in-service withdrawals, including reporting tax information to the Internal Revenue Service. For hardship withdrawals, you evaluate and approve the hardship. For hardship withdrawals, we monitor the stop/start of elective deferrals once the hardship is taken.

Report Services

Confirmation reports

We provide online itemized reports confirming transaction activity.

Noncontributing employee statements – defined contribution Plans

Noncontributing employee statements explain how contributing to a Plan can help the employee save for the future and are provided to you for distribution to the employee. These reports are provided annually upon your request.

Online reporting

We provide various standard reports that may be viewed on the Principal Sponsor Service CenterSM.

Plan sponsor reports

Quarterly defined contribution Plan reports provide a summary of the current Account values by investment option and contribution type. Annual defined benefit Plan reports provide information about each Participant's benefit accrual.

Retirement Plan & Investment Review (RPIR)

A consolidated report of information about a Plan for the last three years. Information includes Plan participation demographics, voice-response system usage and Participant investment preferences.

Employer Securities Services – defined contribution Plans**Automated security trading**

Same day recordkeeping of publically traded company stock. Two trades per day are standard.

Alternative Election:

- ☐ Trade one time per day
- ☐ Trade three times per day
- ☐ Trade four times per day

Dividend recordkeeping

We recordkeep stock and cash dividends.

Investment direction restrictions

We restrict the percentage of contributions that may be allocated to company stock based on your direction.

Participant in-kind distributions

We process in-kind electronic re-registration of shares.

Insider trading restrictions

We will assist you in monitoring Participants subject to Section 16, Rule 144 or other restrictive rules impacting executive officers or other insiders. You must provide us with a list of Participants subject to trading restrictions.

Share accounting of employer securities

We provide share accounting, maintaining whole and fractional shares.

Government Compliance and Filing**ASC 820 Fair Value Measurement Analysis tool**

ASC 820 requires audited benefit plan financial statements filed with Form 5500 to include a description of the fair value measurements and disclosures that reflect the input levels of the significant categories of the Plan Investment Options. The ASC 820 Fair Value Measurement Analysis tool can be used as a basis for making the analysis and developing the disclosures needed to comply with this requirement.

Audit package

This report includes information we reasonably expect your auditor to require to conduct a limited scope audit for plans with 100 or more Participants. An additional Fee may apply for auditor requests which exceed limited scope audit requirements.

Compliance data collection package

This information gathering package, provided on the Principal Sponsor Service CenterSM, (when applicable) explains and organizes the data we need to collect from you to help the Plan satisfy applicable compliance testing requirements.

Compliance testing — (to the extent applicable to each Plan by law):

- **IRC §415 limits**
- **IRC §410(b) ratio percentage test**
- **Top-Heavy testing**
- **ADP/ACP**--We provide up to two ADP/ACP tests per year (typically mid-year and year-end). Tests include calculating and processing refunds upon request. Testing frequency can be increased for an additional Fee.
- **IRC §402(g) limits** -- We will monitor elective deferral limits throughout the year and Notify you when a Participant appears to have exceeded the limit.

Compliance update newsletter

This monthly newsletter consolidates legislative and regulatory news electronically on the Principal Sponsor Service CenterSM.

ERISA §404(c) – defined contribution Plans

We provide a variety of Investment Options that help a Plan comply with government regulations that may reduce your fiduciary liability.

Form 5500 series annual filings

We prepare Form 5500 Filings for you to review and submit electronically to the DOL.

Government relations

We have full-time staff in Washington, D.C., dedicated to providing employee benefits education to and discussing employee benefit issues with members of Congress.

Pension Benefit Guarantee Corporation (PBGC) annual Form 1 filing – defined benefit Plans

☐ Pay annual PBGC premiums directly from the Account.

Plan qualification forms

We provide forms for submitting the Plan to the IRS for qualification (if applicable).

SAS 70 report

We provide you and your auditor access to the report from our independent auditor about our internal practices and procedures.

Consulting Services

We provide core plan design consulting services for you at no additional Fees. These Services include:

- General research and technical assistance to respond to most plan design, compliance, and operational issues by Notice from you
- A basic merger and acquisition guide to provide guidance on a broad range of merger, acquisition and spin-off activities by Notice from you
- Comparison of Plan features to industry data, as part of your Retirement Program and Investment Reviews (RPIR)
- General defined contribution plan illustrations and projections by Notice from you
- Templates for annual Participant notices required by plan design by Notice from you
- A compliance guide for a plan administrator's responsibilities and deadlines

We also provide a comprehensive set of Consulting Services for you at an additional Fee. Fee-based Consulting Services are covered in Article VII On-demand Services.

Actuarial Consulting Services – defined benefit Plans

Defined benefit actuarial consulting Services are available upon election. An enrolled actuary and other actuarial professionals assist you with services elected below:

- Actuarial Valuation Report and FAS 35 information
- Form 5500 Schedule SB/MB for ERISA complying Plans
- Adjusted Funding Target Attainment Percentage (AFTAP) certification for ERISA complying Plans
- Annual funding notice for ERISA complying Plans
- PBGC variable rate premiums for Plans subject to Pension Benefit Guaranty Corporation filings
- Annual consultation with Enrolled Actuary

Other defined benefit actuarial Services may be elected in Article VI – Optional Services or available upon request based on provisions outlined in Article VII – On-demand Services.

Alternative Election:

☐ Do not provide actuarial consulting Services.

Participant Services**Beneficiary designation**

We provide sample beneficiary language and beneficiary designation forms and recordkeep your Participants' beneficiary designations.

Beneficiary notices

If a Plan allows for annuities, to comply with Qualified Preretirement Survivor Annuity requirements we will provide you a list of Participants approaching age 35 and sample notice that they need to designate or confirm their beneficiary designation.

My Principal® Edge Milestones – defined contribution Plans

A strategy, which provides personalized communication materials from us. This program provides Participants with a timeline and strategy that helps them determine financial goals and offers an action plan to help accomplish those goals. Personalized communication is provided to Participants via multiple methods of transmission.

Participant call center

Participants and retirees can call toll-free to discuss their benefit options, get answers to their Plan-related questions, change address, request direct deposit, etc.

Participant communication and education services

We provide Participants access to educational meetings, seminars and materials, calculators, and tools, e.g., Principal Edge Milestones designed to help Participants with retirement planning. Examples include enrollment kits, payroll stuffers, posters, and videos to help create interest in the Plan and retirement savings. An additional Fee may apply for scheduled meetings or seminars that cancel or postpone within two weeks of the meeting or seminar date, or for meetings with less than twenty employees in attendance. As applicable, enrollment meetings and seminars may be provided by your financial professional.

Participant statements

- **Defined Contribution**

We provide quarterly defined contribution Participant statements as directed by you for each Participant with an account balance greater than zero. Defined contribution statements are mailed to Participant homes unless you direct otherwise.

Mailing Election:

- ☐ We will provide online statements for Plan (s): _____
- ☐ We will mail statements to you in bulk for Plan (s): _____
- ☐ We will mail statements to you in separate envelopes for Plan(s): _____

Statement Frequency Election:

- ☐ We provide semi-annual Participant statements for Plan(s): _____
- ☐ We provide annual Participant statements for Plan(s): _____

- **Defined Benefit**

We provide annual defined benefit Participant statements as directed by you for each Participant with an account balance greater than zero. Defined benefit statements are mailed to you in bulk unless you notify us otherwise.

Mailing Election:

- ☐ We will mail statements to you in separate envelopes for Plan(s): _____
- ☐ We will mail statements to Participant homes for Plan(s): _____

Spanish communication services

We provide defined contribution Plan enrollment and education materials, an Interactive Voice Response System (TeleTouch®), and defined contribution Participant Statements for your Spanish-speaking employees.

Participant website

Found at principal.com, this website provides Participants:

- information about their Plan benefit options
- information about Plan-related questions
- ability to request investment transaction and salary deferral changes
- access to view daily Account and investment information, statements, transaction confirmations, etc.
- defined benefit Participants the ability to view historical data and retirement calculators.

Personal Retirement Account (PRA) – defined contribution Plans

Inactive Participants with a vested Account balance in excess of the small amounts force out limit may maintain their retirement funds under the existing Plan.

Payment of "small amount" benefits

We will automatically pay small lump sum amounts based on Plan provisions.

Alternative Election:

☐ Your signature is required before we pay any benefit for Plan(s): _____

Plan Ahead. Get Ahead®. Participant magazine – defined contribution Plans

This life-stage focused magazine is made available to Participants. It features tips and articles related to planning and saving for retirement.

Pre/post retirement certificates

We provide confirmation of employee benefits and documentation of Participant data (a certificate of Plan entry and a certificate for any annuity purchased) if required by your state.

Principal Enrollment SuiteSM – defined contribution Plans

Services designed to encourage participation and increase salary deferrals. Available options include:

- **Smart Start** – A pre-determined salary deferral percent option chosen by the Plan sponsor and offered to the Participant.

Alternative Election:

☒ Do not provide SmartStart for Plan(s): 361989

- **Principal Step Ahead Retirement OptionSM** – The elective deferral contributions of Participants are automatically increased by a given percentage, or a specific dollar amount, each year as of a date specified by the employer in the Participant election.

Alternative Election:

☒ Do not provide Principal Step Ahead Retirement Option for Plan(s): 361989

- **Flexible enrollment options** – Participants can enroll through three easy options: online, through TeleTouch, and with the Easy Enrollment Form.
- **Salary deferral service** – We can take the entire enrollment process a step further by eliminating the need for paper enrollment forms. Your employees can use the Participant website or TeleTouch to enroll.

Alternative Election:

☒ Do not provide salary deferral service for Plan(s): 361989

- **"Do-It-For-Me" Options** – Options are available for Participants who prefer to have assistance with asset allocation from investment professionals. To simplify Participants' asset allocation decisions, several investment fund series (which are professionally managed) are available including both target retirement date and risk tolerance options.

Principal Retirement Income Edge Program

A program providing education, guidance, and tools to Participants nearing retirement, and those individuals covered by the Plan who are in retirement. This program works alongside personal or plan advisors (if applicable) in assisting Participants and Retirees in converting their savings into an income stream for retirement. The program provides tools to: develop a personalized income plan; monitoring capabilities throughout retirement; access to specialized financial planning professionals; and a broad set of product solutions and educational materials.

Retirement benefit calculations and quotes – defined benefit Plans

Retirement calculations may be modeled via the Participant website or requested by calling the Principal call center. An additional Fee may apply for benefit quotes due to plan shutdown or location closure.

Retirement benefit limitation monitoring – defined benefit Plans

We will monitor benefit payment limitations for each defined benefit Plan that we recordkeep as required by law. We also provide you with a sample notice which must be provided by you to Participants as required by law.

RetireViewSM – defined contribution Plans

An educational asset allocation program for “Do-It-Myself” Participants. RetireView offers a set of 20 asset allocation models representing a broad spectrum of risk profiles, years to retirement and investment categories. You, with help from your financial professional, populate the RetireView asset allocation models with Plan Investment Options.

Alternative Election:

☒ Do not provide RetireView for Plan(s): 361989

TeleTouch[®] interactive voice-response system

Participants can call our toll-free TeleTouch system for daily Account information about the defined contribution Plan.

Total Retirement Statement

Provide an annual Participant statement summarizing the benefits under the Plans. The statement may also include any non-qualified Plan, not covered in this Agreement, for which we act as recordkeeper.

Total Retirement View

An online view of retirement plan benefit projections and estimated replacement ratios taking into account Plans recordkept by us and estimated Social Security benefits.

ARTICLE VI OPTIONAL SERVICES

This article is designed to allow you to engage us to provide reoccurring Services that are not described in any other current article or attachment to the Agreement. This article is not designed to replace or modify any other article or any part of the Agreement, except as may be expressly set out below.

These optional Services are reoccurring in nature and are in addition to the Services listed as core Services. Additional elections may need to be made and additional Fees may apply.

We reserve the right at any time to update, change or cease providing a Service provided for in this article. Such change would be applied to all Plans receiving this Service. We will give you Notice of the updates, changes or cessation by posting a Notice on the Principal Sponsor Service CenterSM. This Notice will become part of this Agreement.

Check boxes below indicate a Service elected by you. The Optional Service Fees table will specify Plan(s) for which a specific Service is elected.

Plan Sponsor Services

General Services

- ☐ **Direct rollover authorization Service – defined contribution Plans**
You can direct us to accept rollover contributions for deposit to the Plan subject to a completed Rollover Declaration Form without further authorization from you. See Rollover Authorization Service Attachment.
- ☐ **Location recordkeeping**
We will provide Services and reporting separately for more than one employer location and work with separate contacts at each location if you desire.
Alternative Election: – defined contribution Plans
☐ In addition to the location recordkeeping optional service, we will apply plan expenses by location and track forfeitures by location.
- ☐ **Mailing of enrollment and communication materials**
We will mail enrollment and communication materials to Participant home addresses as you direct in a Notice. See Participant Mailing attachment for additional information.
- ☐ **Mailing of annual Participant notices**
We will mail annual notice communication to Participant home addresses as you direct in a Notice. See Participant Mailing attachment for additional information.
- ☐ **Plan transition**
We will provide the following optional Services during plan transition:
☐ Testing, 5500 services and recreating Top Heavy results for years prior to transition, subject to our receipt of needed information – defined contribution Plans

Distribution Services

- ☐ **Enhanced QDRO Service**
We will review and process QDRO requests as described in Enhanced Qualified Domestic Relations Order attachment.
- ☐ **Withdrawal Service – defined contribution Plans**
See Withdrawal Service attachment.

Employer Securities Services - defined contribution Plans

- ☐ **Unitized company stock accounting**
Employer securities are recordkept in units made up of employer securities shares and cash.

Government Compliance and Filing

- ☐ **Additional ADP/ACP testing – defined contribution Plans**
We can provide more than two tests per year.
Additional test dates are _____.
- ☐ **Special compliance testing**
We perform special testing to comply with IRC Sections 401(a)(4), 410(b) and 414(s) if a Plan design does not meet the safe harbor requirements of these code sections.

Plan Document Services

We offer two basic levels of plan document drafting Services. You are under no obligation to use either Service. Plan document Services include:

- ☐ **Prototype Plan documents**
We provide an IRS-approved prototype plan document and, when applicable, trust documents, and separate joinder agreements for you to select the specific plan design variables for a Plan. You will need to sign the joinder agreement in a timely manner but do not need to file the Principal prototype plan with the IRS. This Service includes one Plan restatement or amendment each year for each Plan. A Fee applies to additional restatements or amendments. We will conduct key provision plan reviews of the Principal-sponsored prototype plan as needed at no additional charge.

Periodically, we may be required by law to update the prototype plan document and/or joinder agreement. We will give you Notice of any such update.

- ☒ **Custom Plan documents**
For an additional Fee, we provide a sample individually-designed plan document for review with legal and/or tax counsel. The custom plan document will need to be signed in a timely manner, and if applicable, filed by you with the IRS. This Service includes Sample individually designed plan documents, including Plan restatements and amendments. We will conduct key provision plan reviews of the Principal drafted custom plan as needed at no additional charge.

Periodically, we may be required by law to update the sample individually-designed plan document. If you are utilizing the sample individual design plan document, we will provide sample amendment or restatement wording.

- ☒ **Summary Plan Description (SPD)**
We can provide summary plan descriptions for Principal prototype plans on the Participant website at no charge. Printing SPDs for Principal prototype plans, drafting and printing SPDs for Principal drafted and non-Principal drafted custom plans, or customizing outside of standard SPD format, is available for an additional Fee.

Optional Elections (select each that apply):

- ☐ Print paper SPD
- ☒ Draft custom SPD
- ☐ Print SPD from a draft provided by you. You agree to hold us harmless and indemnify us with regard to any cost to us resulting from a complaint or dispute for the content of this document.

Actuarial Consulting Services – defined benefit Plans

Defined benefit actuarial consulting Services are available upon election. An enrolled actuary and other actuarial professionals assist you with Services elected below, subject to your approval of our Fees for those Services:

- ☐ Accounting Disclosure Report (ADR)
- ☒ Annual consultation with Enrolled Actuary (Exception below \$10M)
- ☐ Asset Liability Modeling (report is typically provided once every three years)
- ☐ Client interaction with web based actuarial data
- ☐ SEC Disclosure
- ☒ GASB Report Service (governmental plans only)
- ☐ Funded Status Report (multi-employer Plans only)

Fees for optional actuarial Services are determined at the point Services are requested by you. You must provide us Notice of acceptance of the Fee. Other defined benefit actuarial Services may be available upon request based on provisions outlined in Article VII – On-demand Services.

Participant Services

- ☐ **Principal Managed Account ProgramSM – defined contribution Plans**
We provide access to third-party, professional investment advice and ongoing management of retirement plan funds.
- ☐ **Principal RetireSecureSM – defined contribution Plans**
One-on-one retirement planning assistance provided at the worksite.
- ☐ **Recordkeeping of Self Directed Brokerage Accounts – defined contribution Plans**
We provide access to publically traded investment options including stock, bonds and mutual funds.

ARTICLE VII ON-DEMAND SERVICES

This article is designed to allow you to engage us to provide various on-demand Services that are not described in any other current article or attachment to the Agreement. The article is solely for the provision of unique Services or Services that are not provided on a repeating basis. This article is not designed to replace or modify any other article or any part of the Agreement, except as may be expressly set out below.

If we have another article, attachment, or Notice that has not yet been made a part of this Agreement that covers a Service you require, such other article, attachment, or Notice will be considered a part of this Agreement and we will perform the requested Service under that article, attachment or Notice.

Fees for on-demand Services will be determined at the time of your request for Service. Fees will be collected as you direct us in a Notice. If such direction is not provided, Fees will be collected as outlined in Article VIII Fees, after the service is performed. We will only deduct or net amounts to the extent we may do so under the Plan Document and applicable law. Amounts that (i) would be considered to be "settlor" expenses under applicable law, including Department of Labor Advisory Opinion 2001-01A and the associated hypothetical examples, or (ii) the Plan Document does not allow to be paid from the Plan, will be billed directly to you.

We may agree to perform a Service under this article in the following manner:

- You give us Notice of the requested Service and the parameters with regard to that Service.
- You will provide such further information as we request with regard to that requested Service.
- If we agree to provide requested Service, we will Notify you of our agreement and disclose our Fee for performing the Service.
- You may give us Notice accepting the terms and provisions of our Notification at any time.
- If we do not receive a Notice from you rejecting any of the provisions of our Notification within 10 days of our sending you the Notification, we will proceed to perform the requested Service described in our Notification to you.

Examples of On-demand Services include:

Consulting Services

- Benefit design and modeling Services
- Plan related merger and acquisition Services
- Replacement ratio and needs analysis
- Plan illustrations and projections with detailed analysis
- Plan benchmarking information
- Customized communication Services
- Plan reviews not provided as part of core Services including:
 - Comprehensive review of outside written plans
 - Comprehensive review of Principal-drafted custom plans

Actuarial Consulting Services-defined benefit plans

- Actuarial cost estimates
- Asset Liability Modeling
- Amendment funding tests
- Discount rate modeling
- Sensitivity analysis
- PBGC Form 4010
- Withdrawal liability calculations and funding improvement plan for multi-employer plans
- Merger and spin-off calculations
- Plan termination estimates & studies
- Plan termination assistance, including calculation of values, preparation of government filings and distribution of Accounts
- Projections of plan expense and cash funding

Administrative Services

- Customization of sample notices
- Correction to Participant accounts due to inaccurate data
- Customized ad hoc reports
- Customization of distribution forms

- Contribution allocation assistance beyond three calculations per year, or for special allocations such as comparability allocations and corrective allocations
- Translation services
- One-time Participant mailings

Government Compliance and Filing

- Re-run ADP/ACP tests due to incorrect Plan sponsor data
- Additional IRS Form 5500 series annual reports for information not recordkept by us, including
 - Inclusion of information on loans and assets not recordkept by us
 - Schedule A, H, or I for life insurance policies held within the plan but not recordkept by Principal
 - Schedule G for large plan filings
- Additional audit assistance and additional audit packages

Additional Education Services

- Additional education meetings or webinars
- Custom education materials

We may perform certain Services that could be optional Services with regard to other plans not covered under this Agreement. We are not obligated to provide such Services to you under this article or otherwise. No obligation to provide such Services, or Services other than those to which we agree, is implied, nor may such an obligation be inferred.

ARTICLE VIII FEES

Fee Payments

The following methods are available as options for you to choose and direct to us, how Fees will be collected:

- **Billed** – Fees are paid directly in response to our quarterly billing to you, with the exception of defined benefit actuarial Optional Services and On-demand Services which will be billed at the time the Service is completed. Defined contribution Plans require Electronic Funds Transfer (EFT) payment.
- **Netted** – Fees are asset-based and are netted monthly from the rate of investment return for all Investment Options, lowering the investment return.
- **Deducted** – Fees are deducted monthly from Accounts and, if appropriate to a Plan, reflected on Participant statements.
- **Combination** – Fees are paid by a combination of the above options. A portion of Fees may be billed, netted, or deducted and the remaining portion may be billed, netted, or deducted as determined by you, as reported to us in a Notice.
- **No Additional Fees** – Fees not otherwise explicitly stated in this Agreement are paid from the investment management Fee and are deducted from Accounts.

*Obligation to Pay Fees. We are entitled to our Fees. Fees will be in the amount and collected as described in this article. You represent that the method of Fee payment you elect is permitted under the respective Plan Documents and applicable law.

Method for Fee Payment. Fees will be paid in one or more of the following manners:

- We will send a bill for our Fees via a Notice. The billed Fees are due within 30 days of billing. If any Fee billed is not paid within 30 days of the billing for any reason, the amount of those unpaid Fees will be treated as deducted Fees and will be deducted accordingly.
- Defined contribution plan deducted Fees will be deducted pro-rata from the Accounts. The deduction within the Accounts will be made pro rata by Investment Option. Defined benefit plan deducted Fees will be deducted according to the group annuity contract provisions. We are specifically authorized and directed by you to collect Fees in this manner, unless you direct us, and we agree, to use another method to deduct Fees.
- Fees that cannot be deducted from the Accounts under either the Plan Document or applicable law may only be billed. This includes Fees incurred in connection with what are considered to be settlor functions. If forfeitures are available to offset against Fees under a Plan, the forfeitures with respect to that Plan will be used to offset Fees with regard to that Plan before any other means of payment or collection are used.

Sales Compensation. Fees include any sales commissions or other compensation payable to a duly licensed individual who may legally receive them, including an insurance agent, registered investment adviser, or other person as designated by you in the Acknowledgement of Compensation and Contract Information, the Principal Financial Group® Disclosure Statement, or similar disclosure, with regard to the sale of any Investment Option. We are authorized and directed by you to pay that compensation. In the event of some change in circumstances under which payments can no longer be made to the licensed individual, you agree to duly appoint another. We will assist you in this process.

Other Compensation. We may earn compensation in the form of short-term interest (“float”) on certain items in connection with the Plan. When we receive plan funds without investment instructions, or past the point in a day when funds can be invested, those funds are held in a custodial bank account with like funds from other plans for which we provide services. The funds are transferred from the bank and invested as assets of the Plan as soon as administratively possible and, where necessary, following the receipt of proper directions from the Plan Administrator.

Also, between the time that we issue a check for a plan distribution or other payment requested by an appropriate Plan fiduciary and the time the check is cashed, the funds to cover the check are also held in a custodial bank. The funds to cover the check are transferred from the Plan on the same day the check is dated and generally mailed. The funds will be disbursed by the custodial bank when the check is cashed.

In both situations, the amounts held by the bank earn interest or Fee credits, generally at the Federal funds rate, which the bank may pay or credit to us. Any such interest or Fee credit amounts will not be allocated among plans for which we provide Services and are additional Fees to us. Based on current knowledge, we believe these Fees, generally referred to as “float”, are comparable to other service providers in the industry.

“Float” is not directly credited to Plans for which we provide Services. Deposits and Transfers are normally allocated and invested the same day, however, there are certain situations, such as those described above, in which the allocation and investment of Deposits and Transfers may be delayed, in which case we will make such allocation and investment as soon as practicable. Distribution checks are normally mailed the day they are issued. The timing of when checks are cashed is outside our control.

Fees for Core Services

Specific Fees for each Plan. The following describe Fees and payment to us with regard to each Plan. With Notice from you, we will change the method of collecting Fees as directed in your Notice. A collection method change will be effective with the next billing cycle occurring after our receipt of your Notice.

With regard to Plan 361989:

- Fee summary dated 09/21/2010 is incorporated into this Agreement. Subsequent Fee summaries provided by Notice to you will constitute an Amendment to this Agreement and will supersede previous Fee summaries.
- Unless elected otherwise below, Fees will be collected under the Billed collection method. Billed Fees for On-demand Services may be billed to you after the service is completed.

Alternative Election (choose one):

- ☒ Netted – Fees are asset-based and are netted monthly from the rate of investment return for all Investment Options, lowering the investment return.
- ☐ Deducted – Fees are deducted monthly from Accounts and, if appropriate to a Plan, reflected on Participant statements.
- ☐ Combination – Fees are paid by a combination of the above options. A portion of Fees may be billed, netted, or deducted and the remaining portion may be billed, netted, or deducted as determined by you.
- ☐ Currently there are no billed, deducted, or netted charges for Plan expenses unless otherwise noted in the Optional Service Fees table. Fees not otherwise explicitly stated in this Agreement are paid from the investment management fee and are deducted from Accounts.

If future changes in Fees with regard to a Plan, including those on account of a Major Business Change, result in an increase of Fees for that Plan, the additional Fees will be billed directly to you each quarter or collected by us in one of the manners described above in this article with regard to that Plan or as you and we otherwise agree. This payment method will apply until you provide us with Notice of a different election. Any new election will go into effect with the next billing cycle occurring after our receipt of your Notice.

- ☐ Forfeitures will be used to offset Plan expenses if allowed by the Plan document and as allowed by the Internal Revenue Code – defined contribution Plans only.

With regard to Plan 455559:

- Fee summary dated 09/21/2010 is incorporated into this Agreement. Subsequent Fee summaries provided by Notice to you will constitute an Amendment to this Agreement and will supersede previous Fee summaries.
- Unless elected otherwise below, Fees will be collected under the Billed collection method. Billed Fees for On-demand Services may be billed to you after the service is completed.

Alternative Election (choose one):

- ☐ Netted – Fees are asset-based and are netted monthly from the rate of investment return for all Investment Options, lowering the investment return.
- ☒ Deducted – Fees are deducted monthly from Accounts and, if appropriate to a Plan, reflected on Participant statements.
- ☐ Combination – Fees are paid by a combination of the above options. A portion of Fees may be billed, netted, or deducted and the remaining portion may be billed, netted, or deducted as determined by you.
- ☐ Currently there are no billed, deducted, or netted charges for Plan expenses unless otherwise noted in the Optional Service Fees table. Fees not otherwise explicitly stated in this Agreement are paid from the investment management fee and are deducted from Accounts.

If future changes in Fees with regard to a Plan, including those on account of a Major Business Change, result in an increase of Fees for that Plan, the additional Fees will be billed directly to you each quarter or collected by us in one of the manners described above in this article with regard to that Plan or as you and we otherwise agree. This payment method will apply until you provide us with Notice of a different election. Any new election will go into effect with the next billing cycle occurring after our receipt of your Notice.

☐ Forfeitures will be used to offset Plan expenses if allowed by the Plan document and as allowed by the Internal Revenue Code – defined contribution Plans only.

Fees for Optional Services

The Fee amount and collection method listed in the Fee summary will control in the event of a conflict with the following chart. Unless otherwise noted in the collection method column, Fees will be collected according to the election in this Article.

Plan Sponsor Optional Services

Service	Fee	Plans	Collection Method
General Services			
Direct rollover authorization	Standard annual Fee: \$0	N/A	N/A
Location recordkeeping	Standard annual Fee: \$600 per location \$1250 per location if tracking forfeitures by location	N/A	N/A
Mailing of enrollment and communication materials to Participant homes	Standard Fee: \$3.50 per enrollment kit mailed	N/A	N/A
Mailing of annual Participant notices to Participant homes	Standard Fee per mailing: 2-5 pages: \$175 + \$0.60 per Participant 6-13 pages: \$175 + \$1.20 per Participant 14-49 pages: \$175 + \$2.50 per Participant 50+ pages: custom priced Additional \$200 if color logo	N/A	N/A
Plan transition - Testing, 5500 services and recreating Top Heavy results for years prior to transition.	Standard annual Fee: \$250 per hour	N/A	N/A
Distribution Services			
Enhanced QDRO	Standard Fee: ▪ Establishment: - \$500.00 start-up Fee ▪ DRO review: - \$220.00 per hour per DRO review request	N/A	N/A
Withdrawal Service	Standard Fee: \$35 per hardship withdrawal requested	N/A	N/A
Employer Securities Services			
Unitized company stock accounting	Standard annual Fee: \$3,650	N/A	N/A
Government Compliance and Filing			
Additional ADP/ACP testing	Standard Fee: \$150 per hour	N/A	N/A
Special compliance testing	Standard Fee: \$250 per hour (with dollar minimums below based on Participant count) Number of Participants 1-50 -- \$750 51-100 -- \$1,000 101-250 -- \$1,250 251-500 -- \$1,750 501-1,000 -- \$2,500 1,001+ -- \$3,250	N/A	N/A

Plan Document Services			
Plan Documents - Prototype Prototype Restatement Prototype Amendment	Standard Fee: \$350 per restatement or amendment (first amendment each year at no additional Fee)	N/A	N/A
Plan Documents - Custom Custom Restatement Custom Amendment	Standard Fee: \$1000 per restatement \$500 per amendment	361989, 455559	Settlor Service to be billed at time of Service.
Summary Plan Description	Custom-priced	361989, 455559	Fee is included in Fee summary
Actuarial Optional Services			
Accounting Disclosure Report (ADR)	Custom priced	N/A	N/A
Annual consultation with Enrolled Actuary	Custom priced	455559	Fee is charged at time of Service. Settlor Services, as applicable, to be billed
Asset Liability Modeling	Custom priced	N/A	N/A
Client Interaction with Web Based Actuarial Data	Custom priced	N/A	N/A
SEC Disclosure	Custom priced	N/A	N/A
GASB Report Service (governmental plans only)	Custom priced	455559	Fee is charged at time of Service. Settlor Services, as applicable, to be billed
Funded Status Report	Custom priced	N/A	N/A

Participant Optional Services

Service	Fee	Plans	Collection Method
Principal Managed Account Program	Standard Fee: Annual Managed Account Tiered Scale: Up to \$50,000 = 50 bps Next \$25,000 = 40 bps Next \$25,000 = 30 bps All additional assets = 20 bps	N/A	N/A
Recordkeeping of Self Directed Brokerage accounts	Standard Fee: \$1,000 plan sponsor Fee, \$75 per Participant, plus trading Fees	N/A	N/A

Defined Contribution Plan Loan Service Attachment Electronic Loan Service

This attachment is designed to allow you to engage us to provide a Service that is not described in any other current attachment to the Agreement. This attachment is not designed to replace or modify any other attachment or any part of the Agreement, except as may be expressly set out below.

Services outlined in this attachment apply to the following Plan(s): 361989

You specifically authorize and direct us to process all loan requests from all employees who are Participants in one of the listed Plans according to the procedures described in this attachment. Participants will initiate all loan requests by calling Teletouch® or through the Principal Financial Group® website at www.principal.com, except for loans for an amount less than \$500. Loans for an amount less than \$500 must be submitted by completing a loan payout request form. The Participant will select the terms of the loan regardless of how the loan is requested. Once the Participant verifies the loan terms through Teletouch® or www.principal.com, applicable Fees will be assessed and are non-refundable.

Loan requests made through www.principal.com will be taken proportionately from the Participant's Investment Options. If the Participant wants to specify Investment Options or contributions from which to take the loan, the Participant must request the loan by calling Teletouch®.

The electronic loan process can be used to request loans by individuals who are active employees. It cannot be used by individuals who have terminated employment. Terminated employees must send us a completed loan payout request form. Terminated employees qualify for a loan if they are a party-in-interest as defined by the Employee Retirement Income Security Act (ERISA). We will not determine whether any individual is a party-in-interest and eligible for a loan. The loan administrator must monitor and ensure that any terminated employee is a party-in-interest and eligible for a loan.

It is not necessary for us to receive written approval from the loan administrator for each loan request as long as the loan applicant is an active employee and no more than 50% of the Participant's vested Account balance at the time the loan is made is used as security for the loan. The loan administrator deems all loan applicants as credit worthy, except for those who have loans currently in default.

Loan documents and checks will be prepared and sent to you to confirm the terms and payment schedule selected by the Participant. The loan check will be made payable to the Participant unless we are instructed by you to make the check payable to the Plan trustee. The Participant will also receive an agreement under which he/she agrees to repay the loan, authorizes the employer to deduct the necessary loan payments from the Participant's pay, and pledges to the trustee of the Plan the vested portion of his/her Account balance to secure the loan obligation. If the Plan requires, and if the Participant is married, the spouse must consent in writing to this loan or the Plan Representative must acknowledge in writing that the spouse cannot be located. The spouse's signature must be witnessed by either a Plan Representative or notary public. The plan sponsor or its delegates will review the loan documentation, obtain all the necessary signatures and distribute the check. The employer will forward payments to the trustee who will remit them to us. The employer will forward the loan documentation to the trustee to retain until the loan is paid off.

Interest rates for all loans requested as described above shall be determined by the loan administrator. Per this authorization, the loan administrator directs us to use the following interest rate for all loans requested until otherwise indicated to us in writing:

- ☐ The interest rate used shall be %, until you provide us with Notice establishing another rate.
- Or**
- ☒ The base interest rate used shall be equal to the Prime Rate (as published in The Wall Street Journal).

You are providing us with authorization to accept lump sum loan payoff payments on Plan loans. The lump sum payments must be made payable to you or deducted from the Participant's pay. Once you receive the payment, you will then issue and mail a check made payable to us or transfer funds to us electronically. All partial principal payments must be handled in this same manner.

You have reviewed and approved this loan processing method. It is your opinion that this loan processing method complies with Plan loan provisions. You release us from any and all liability under federal and/or state law that may arise from the performance of this authorization or processing of loans. You agree to hold us harmless and indemnify us with regard to any cost or liability to us in the event a Participant disputes this loan processing method.

Defined Benefit Retiree Annuity Payment Attachment

This attachment is designed to allow you to engage us to provide that which is not described in any other current attachment to the Agreement. This attachment is not designed to replace or modify any other attachment or any part of the Agreement, except as may be expressly set out below.

Services outlined in this attachment apply to the following Plan(s): 455559

Alter-native	Description	Term	
1	Benefit Index	<p>Monthly benefits are paid to the Participant directly from the group annuity contract with our guarantee of payment.</p> <p>If the value of the group annuity contract, as defined in the contract, equals the Benefit Index, payment for annuities will be debited from the contract.</p> <p>This option may impact future funding or funding status which could affect distributions to Highly Compensated Employees. Please discuss this option with your actuary before electing.</p>	<p>You may choose a different alternative at any time for Participants who aren't receiving benefits. Some restrictions may apply when changing alternatives for retired Participants, subject to the terms of the contract.</p> <p>You choose from three alternatives for paying monthly retirement benefits.</p> <p> <input checked="" type="checkbox"/> Benefit Index <input type="checkbox"/> Purchase Non-Participating Annuities <input type="checkbox"/> Direct Payments </p> <p>If Direct Payments, make payments to:</p> <p> <input type="checkbox"/> Participant <input type="checkbox"/> Trustee (trusteed plans only) </p>
2	Purchase Non-Participating Annuities	<p>There is a one-time charge for the cost of a Participant's annuity from the group annuity contract. The purchase price anticipates no future dividends or investment returns will be payable to the Plan. We guarantee benefits under this option, once the annuity is purchased.</p>	
3	Direct Payments	<p>Monthly benefits are paid directly from the group annuity retirement funds without our guarantee of payment.</p>	
<p>If payments are made directly to a Participant, we shall provide:</p> <ul style="list-style-type: none"> a certificate for each Participant receiving a benefit under either Alternative 1 or Alternative 2 recordkeeping of Participant benefits and beneficiaries preparation and mailing of monthly pension payments tax reporting on benefit payments for Participants receiving benefits tax or other withholding <p>NOTE: These Services aren't provided if monthly payments are made to the trustee (trusteed plans only).</p>			

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APPROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE Oct 3, 2017
REPORTS & RECOMMENDATIONS	August, 2017 Monthly Financial Report	ITEM NUMBER <i>G. 9.</i>

Background

The August, 2017 Financial Report is attached.

The Finance Committee has not reviewed the report.

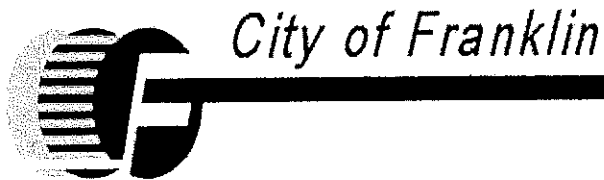
Highlights of the report are contained in the transmittal memo.

The Finance Director will be on hand to answer any questions.

COUNCIL ACTION REQUESTED

Motion to Receive and place on file

Finance - PAR



Date: Sept 20, 2017
To: Mayor Olson, Common Council and Finance Committee Members
From: Paul Rotzenberg, Director of Finance & Treasurer
Subject: Eight months ended Aug 2017 Financial Report

The August, 2017 financial reports for the General Fund, Debt Service Fund, TID3, TID4, TID5, Solid Waste Fund, Capital Outlay Fund, Equipment Replacement Fund, Street Improvement Fund, Capital Improvement Fund, Development Fund, Utility Development, Self Insurance Fund and Employee Retirement Insurance Fund are attached.

The budget allocation is completed using an average of the last five years actual spending. Caution is advised in that spending patterns may have changed. Comments on specific and trending results are provided below to aid in understanding or explaining current year financial results. Budget allocations are based upon the amended budget.

A Cash & Investments Summary – identifies the resources available to meet current activities. Cash & investments are positions with safety and liquidity as primary objectives as stated in the City's Investment policy. Investment returns are secondary in the investment decisions, while return potential is not ignored.

Cash & Investments in the General Governmental Funds increased \$470,356 in the last month. This represents the last of the property tax settlements for 2017. The Utilities paid suppliers in August, spending down collections on the second quarter billings.

The \$8.7 million decrease in Property Tax Fund cash balances reflects the final settlement of the 2017 tax billing season.

GENERAL FUND revenues of \$21,405,571 are \$35,711 less than budget, principally due to the lack of Building Permit revenues.

Comments on specific types of revenues follow:

- Building permit revenues of \$349,682 are \$250,258 behind (42% of budget) budget. A \$44,000 permit was pulled in May for a new development in the business park. The slow level of new development impacts several funds, as noted later.
- \$88,410 of Landfill Siting Revenues have been credited to the General Fund, representing 84% of budget. Total Landfill siting revenues across all funds are \$507,788 represents 73% of budget, which is behind pace for the year.

Total Expenditures of \$16,300,978 are \$698,057 under spent. General Government has overspent by \$113,104 thru August. The largest underspending is in Public Safety (\$309,056), General Government (\$190,776) and Public Works (\$136,812).

- General Government expenditures of \$1,977,010 are \$190,776 under spent. Information Systems is spending slower than budget by \$55,109, delayed Assessing service billings accounts for \$60,691. These costs are expected to occur by year's end. Administration is underspent by \$40,775, with postage and labor attorney having the greatest underspending.
- Public Safety costs of \$10,860,412, is \$309,056 less than budget. There have been vacancies in Dispatch (\$64,144). Fire plan reviews - \$15,498 are only 28% of budget. Overtime in the Fire Dept continues to plague spending (\$224,578 - 169% of budget).
- Public Works expenditures of \$2,692,393 are \$136,812 underspent. The biggest savings are on fuel and vehicle maintenance. Q4 can change this picture with unfavorable weather conditions.
- Summer work is temporarily pushing Parks labor costs over budget (\$15,235)

A \$5,104,593 surplus is \$662,346 greater than budget. This surplus will disappear as revenue generation slows, but personnel costs continue. If anything, the anticipated under expenditure appropriation looks to be a real challenge. Some budget amendments in the personnel categories are likely before year end.

DEBT SERVICE – Debt payments were made March 1 as required with no budget issues.

TID Funds – TID 3 has unresolved commitments on the S 27th Street reconstruction project, but otherwise is on budget. The Dept. of Transportation implemented a new billing system, which is delaying billings on projects, with S 27th Street impacting Franklin.

The TID 4 budget was amended to provide for a developer's incentive. That program is awaiting a finalized developer's agreement. .

TID 5 is substantially inactive until the Ball Park Commons developer's agreement is concluded.

SOLID WASTE FUND – Activity is occurring as budgeted.

CAPITAL OUTLAY FUND – revenues are in line with budget, with landfill siting revenues running slower than the budget anticipated.

Public Safety purchases relate to the 2017 patrol cars, (2) K-9 units, Tasers, safety equipment, (11) Police desktop PC's and the Fire Dept Zoll defibrillator unit and four turnout gear sets. Public Works has purchased \$24,223 of trees.

The \$26,950 transfer out is the reclassification of an IT expenditure that was originally budgeted as a software purchase but re-characterized as professional services in the General Fund.

The 2017 Info Systems projects are still in process, with very little of those funds (\$14,855) expended to date compared to budget (\$158,004).

EQUIPMENT REPLACEMENT FUND – Revenues are in line with budget.

The 2017 ambulance and two Jeep vehicles in Inspection are the Public Safety expenditures. In Public Works, the snow blower has arrived, the snow plow and self propelled paver are nearly complete.

STREET IMPROVEMENT FUND – Revenues are in line with budget.

The 2017 street improvement program contract is nearly complete, and awaits the vendor invoice.

CAPITAL IMPROVEMENT FUND – Few resources to this fund have been received as yet. The Finance Committee examined the debt sale options at the August meeting and recommended planning for a Debt Sale in the fourth quarter 2017. Refund revenues relate to insurance proceeds on the HVAC equipment struck by lightning at the Police Station.

Expenditure wise, projects are in various state of completion:

The General Government project is the Health Wing remodeling - \$39,123 spent to date.

Public Safety is completing the 2016 Communications Center project. The Emergency Vehicle Pre-emption system 2016 project is also in the completion stage. Lightning struck the Police HVAC equipment, which has been replaced.

Within Public Works \$75,714 has been spent on the 2016 Emergency Vehicle Pre-emption system related to traffic signals, and purchase orders are outstanding on the St. Martin's Road/Tess Corners bridge project (\$592,245), and the City's share of the St Martin's Road reconstruction County project (\$139,155).

Very little has been spent on 2017 Park projects. An \$18,210 engineering purchase order is outstanding on the River Park trail project.

None of the Ball Park Commons projects have been approved as yet.

DEVELOPMENT FUND – Impact fee collections are smaller than expected on reduced development activity. Impact fee collections are less than half (39%) of what was expected to this point in the year.

Most of the \$4 million fund balance relates to Park Impact fees - \$3.3 million and Water Impact fees of \$597,000. The Park Impact fee holding period is on extension until 2019. Significant park expenditures are needed to utilize the Park Impact fees collected, or they must be rebated to property owners.

Transfers to the Debt Service Fund were made in March to help meet debt service requirement but have been minimal as receipts are not sufficient to pay the 2017 debt service for these programs.

UTILITY DEVELOPMENT FUND – Activity is infrequent in this fund. No projects have materialized in 2017.

SELF INSURANCE FUND— Revenues are 95% of budget. The 2017 revenue budget was not adjusted when the Council reduced health premium cost in the General Fund. As a result, revenues are 5% below budget.

Claims costs are rather strong so far in 2017, not unlike 2016. The budget includes a \$591,500 contingency for excess claims before Aggregate insurance coverage becomes available. 2017 looks to require much of that contingency. Monitoring of the Stop Loss coverage is more difficult now that the Stop Loss carrier is separated from the claims processor.

Results thru July reflect a \$427,519 deficit, about what was expected but worse than 2016. The fund began 2017 with a \$2.7 million reserve balance, which means that the current deficit is eating up more of that fund balance.

RETIREE HEALTH FUND – Plan resources are keeping up with plan costs despite the reduced Actuarially Determined Contribution in 2017. That will not always be the case.

Positive investment results are healthy following market returns so far in 2017 (\$375,336 favorable, compared to \$284,382 in 2016). The fund is invested in passive index investments and will mirror market returns for the mix of investment classes used in the fund. The Finance committee is provided regular portfolio performance updates.

Caution is advised, as equity market returns can be volatile, and current positive gains will be reduced or temporarily lost due to market gyrations.

City of Franklin
Cash & Investments Summary
August 31, 2017

	Cash	American Deposit Management	Institutional Capital Management	Local Government Invest Pool	Fidelity Investments	Total	July Total
General Fund	\$ 26,169	\$ 4,288,233	\$ 5,540,236	\$ 3,107,313	\$ -	\$ 12,961,951	\$ 12,152,129
Debt Service Funds	(13,382)	113,001	516,860	-	-	616,479	634,749
TIF Districts	59,268	2,983,177	1,232,612	-	-	4,275,057	4,295,728
Nonmajor Governmental Funds	769,861	4,319,868	9,030,624	-	-	14,120,353	14,420,878
Total Governmental Funds	841,915	11,704,279	16,320,332	3,107,313	-	31,973,840	31,503,483
Sewer Fund	396,417	475,816	733,530	-	-	1,605,763	1,957,166
Water Utility	190,706	1,696,840	-	-	-	1,887,546	2,563,982
Self Insurance Fund	2,244	50,480	2,156,300	-	-	2,209,024	2,306,619
Retiree Health Fund	(11,536)	-	-	-	5,342,971	5,331,435	5,328,225
Property Tax Fund	22,150	453	-	0	-	22,603	8,796,898
Other Trust Funds	9,441	-	-	-	-	9,441	14,345
Total Other Funds	609,422	2,223,588	2,889,830	0	5,342,971	11,065,812	20,967,237
Grand Total Cash & Investments	1,451,338	13,927,868	19,210,162	3,107,313	5,342,971	43,039,652	52,470,720
Average Rate of Return		0.96%	1.34%	1.00%			
Maturities:							
Demand	1,451,338	12,927,868	6,660	3,107,313	42,873	17,536,051	27,039,238
Fixed Income & Equities	-	-	-	-	3,863,288	3,863,288	3,820,233
2017 - Q3	-	-	-	-	-	-	-
2017 - Q4	-	-	2,999,487	-	-	2,999,487	2,999,301
2018 - Q1	-	-	1,089,844	-	-	1,089,844	1,089,194
2018 - Q2	-	-	-	-	-	-	-
2018 - Q3	-	1,000,000	1,010,646	-	-	2,010,646	2,011,689
2018	-	-	2,029,908	-	171,498	2,201,406	2,202,029
2019	-	-	3,979,242	-	150,591	4,129,833	4,128,540
2020	-	-	5,538,011	-	175,573	5,713,584	5,698,714
2021	-	-	988,082	-	176,833	1,164,915	1,161,888
2022	-	-	1,568,282	-	173,664	1,741,946	1,733,761
2023	-	-	-	-	177,520	177,520	177,030
2024	-	-	-	-	204,873	204,873	204,309
2025	-	-	-	-	206,258	206,258	204,795
	1,451,338	13,927,868	19,210,162	3,107,313	5,342,971	43,039,652	52,470,720

City of Franklin
2017 Financial Report
General Fund Summary
For the Eight months ended August 31, 2017

Revenue	2017 Original Budget	2017 Amended Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual	Var to Budget Surplus (Deficiency)
Property Taxes	\$ 16,423,500	\$ 16,423,500	\$ 16,322,125	\$ 16,415,435	\$ 93,310
Other Taxes	726,958	726,958	383,671	445,308	61,637
Intergovernmental Revenue	2,237,400	2,237,400	1,459,978	1,505,310	45,332
Licenses & Permits	1,049,365	1,049,365	770,570	530,533	(240,037)
Law and Ordinance Violations	500,000	500,000	357,216	342,741	(14,475)
Public Charges for Services	1,753,250	1,753,250	1,087,691	1,084,150	(3,541)
Intergovernmental Charges	203,200	203,200	78,311	78,745	434
Investment Income	220,000	220,000	146,667	162,653	15,986
Sale of Capital Assets	-	-	-	572	572
Miscellaneous Revenue	128,150	128,150	93,717	113,174	19,457
Transfer from Other Funds	1,050,000	1,076,950	741,336	726,950	(14,386)
Total Revenue	\$ 24,291,823	\$ 24,318,773	\$ 21,441,282	\$ 21,405,571 99.83%	\$ (35,711)
Expenditures	2017 Original Budget	2017 Amended Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual	Var to Budget Surplus (Deficiency)
General Government	\$ 3,063,257	\$ 3,090,207 A	\$ 2,167,786	\$ 1,977,010 E	\$ 190,776
Public Safety	16,768,325	16,773,897 A	11,169,468	10,860,412 E	309,056
Public Works	4,196,359	4,239,523 A	2,829,205	2,692,393 E	136,812
Health and Human Services	684,797	684,797	434,767	406,302	28,465
Other Culture and Recreation	172,218	179,454 A	110,011	132,215 E	(22,204)
Conservation and Development	623,677	631,177 A	393,456	367,582 E	25,874
Contingency and Unclassified	707,500	707,750 A	354,671	21,513	333,158
Anticipated underexpenditures	(455,820)	(455,820)	(303,880)	-	(303,880)
Transfers to Other Funds	24,000	24,000	13,000	13,000	-
Encumbrances	-	-	-	(169,449)	-
Total Expenditures	\$ 25,784,313	\$ 25,874,985	\$ 17,168,484	\$ 16,300,978 94.95%	\$ 698,057
Excess of revenue over (under) expenditures	(1,492,490)	(1,556,212)	<u>\$ 4,272,798</u>	5,104,593	<u>\$ 662,346</u>
Fund balance, beginning of year	7,690,684	7,690,684		7,690,684	
Fund balance, end of period	<u>\$ 6,198,194</u>	<u>\$ 6,134,472</u>		<u>\$ 12,795,277</u>	

A Represents an amendment to Adopted Budget

E Represents an encumbrance for current year from prior year

City of Franklin
Debt Service Funds
Balance Sheet
August 31, 2017 and 2016

	2017 Special Assessment	2017 Debt Service	2017 Total	2016 Special Assessment	2016 Debt Service	2016 Total
Assets						
Cash and investments	\$ 636,245	\$ (19,766)	\$ 616,479	\$ 511,747	\$ 25,213	\$ 536,960
Special assessment receivable	132,795	-	132,795	111,456	-	111,456
Total Assets	<u>\$ 769,040</u>	<u>\$ (19,766)</u>	<u>\$ 749,274</u>	<u>\$ 623,203</u>	<u>\$ 25,213</u>	<u>\$ 648,416</u>
Liabilities and Fund Balance						
Unearned & unavailable revenue	\$ 132,795	\$ -	\$ 132,795	\$ 111,456	\$ -	\$ 111,456
Unassigned fund balance	636,245	(19,766)	616,479	511,747	25,213	536,960
Total Liabilities and Fund Balance	<u>\$ 769,040</u>	<u>\$ (19,766)</u>	<u>\$ 749,274</u>	<u>\$ 623,203</u>	<u>\$ 25,213</u>	<u>\$ 648,416</u>

Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016

	2017 Special Assessment	2017 Debt Service	2017 Year-to-Date Actual	2017 Amended Budget	2016 Special Assessment	2016 Debt Service	2016 Year-to-Date Actual
Revenue							
Property Taxes	\$ -	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ -	\$ 1,500,000	\$ 1,500,000
Special Assessments	63,025	-	63,025	-	-	-	-
Investment Income	6,430	735	7,165	-	5,721	2,340	8,061
Total Revenue	<u>69,455</u>	<u>1,300,735</u>	<u>1,370,190</u>	<u>1,300,000</u>	<u>5,721</u>	<u>1,502,340</u>	<u>1,508,061</u>
Expenditures:							
Debt Service:							
Principal	-	1,355,000	1,355,000	1,355,000	-	1,300,000	1,300,000
Interest	-	99,013	99,013	272,463	-	223,596	223,596
Bond Issuance Cost	-	-	-	-	-	53,789	53,789
Total expenditures	<u>-</u>	<u>1,454,013</u>	<u>1,454,013</u>	<u>1,627,463</u>	<u>-</u>	<u>1,577,385</u>	<u>1,577,385</u>
Transfers in	-	49,004	49,004	327,113	-	69,799	69,799
Transfers out	-	-	-	-	-	-	-
Refunding Bond Issuance	-	-	-	-	-	5,770,000	5,770,000
Premium (Discount) on Refunding Bonds	-	-	-	-	-	154,202	154,202
Repayment of Refunded bonds	-	-	-	-	-	(5,895,000)	(5,895,000)
Net change in fund balances	<u>69,455</u>	<u>(104,274)</u>	<u>(34,819)</u>	<u>(350)</u>	<u>5,721</u>	<u>23,956</u>	<u>29,677</u>
Fund balance, beginning of year	<u>566,790</u>	<u>84,508</u>	<u>651,298</u>	<u>651,298</u>	<u>506,026</u>	<u>1,257</u>	<u>507,283</u>
Fund balance, end of period	<u>\$ 636,245</u>	<u>\$ (19,766)</u>	<u>\$ 616,479</u>	<u>\$ 650,948</u>	<u>\$ 511,747</u>	<u>\$ 25,213</u>	<u>\$ 536,960</u>

City of Franklin
Tax Increment Financing District #3
Balance Sheet
August 31, 2017 and 2016

<u>Assets</u>	2017	2016
Cash & investments	\$ 1,844,024	\$ 1,855,254
Total Assets	<u>\$ 1,844,024</u>	<u>\$ 1,855,254</u>

Liabilities and Fund Balance

Accounts payable	\$ 22	\$ 1,172
Interfund advance from Development Fund	<u>550,000</u>	<u>552,128</u>
Total Liabilities	550,022	553,300
Assigned fund balance	<u>1,294,002</u>	<u>1,301,954</u>
Total Liabilities and Fund Balance	<u>\$ 1,844,024</u>	<u>\$ 1,855,254</u>

Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016

	2017 Annual Budget	2017 Amended Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual	2016 Year-to-Date Actual
Revenue					
General property tax levy	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,253,575	\$ 1,730,642
State exempt computer aid	464,300	464,300	464,300	458,196	355,862
Investment income	3,000	3,000	2,257	16,035	8,762
Transfer from other funds	-	-	-	-	-
Total revenue	<u>1,767,300</u>	<u>1,767,300</u>	<u>1,766,557</u>	<u>1,727,806</u>	<u>2,095,266</u>
Expenditures					
Debt service principal	1,675,000	1,675,000	1,675,000	1,675,000	650,000
Debt service interest & fees	55,325	55,325	55,325	54,902	86,519
Administrative expenses	12,720	12,720	6,614	8,801	31,683
Interfund interest	19,250	19,250	19,250	9,546	12,966
Capital outlays	-	1,421,608	894,388	1,383,323	2,352,954
Encumbrances	-	-	-	(1,356,363)	(1,344,350)
Total expenditures	<u>1,762,295</u>	<u>3,183,903</u>	<u>2,650,577</u>	<u>1,775,209</u>	<u>1,789,772</u>
Revenue over (under) expenditures	5,005	(1,416,603)	<u>\$ (884,020)</u>	(47,403)	305,494
Fund balance, beginning of year	<u>1,341,405</u>	<u>1,341,405</u>		<u>1,341,405</u>	<u>996,460</u>
Fund balance, end of period	<u>\$ 1,346,410</u>	<u>\$ (75,198)</u>		<u>\$ 1,294,002</u>	<u>\$ 1,301,954</u>

City of Franklin
Tax Increment Financing District #4
Balance Sheet
August 31, 2017 and 2016

	2017	2016
<u>Assets</u>		
Cash & investments	\$ 2,420,734	\$ 1,252,921
Total Assets	<u>\$ 2,420,734</u>	<u>\$ 1,252,921</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 364	\$ 72
Total Liabilities	<u>364</u>	<u>72</u>
Assigned fund balance	2,420,370	1,252,849
Total Liabilities and Fund Balance	<u>\$ 2,420,734</u>	<u>\$ 1,252,921</u>

Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016

	2017 Annual Budget	2017 Amended Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual	2016 Year-to-Date Actual
Revenue					
General property tax levy	\$ 994,000	\$ 994,000	\$ 994,000	\$ 1,013,892	\$ 1,289,708
Payment in Lieu of Taxes	85,000	85,000	85,000	148,174	91,206
State exempt computer aid	16,200	16,200	16,200	15,960	18,043
Investment income	19,200	19,200	12,800	19,685	1,568
Total revenue	<u>1,114,400</u>	<u>1,114,400</u>	<u>1,108,000</u>	<u>1,197,711</u>	<u>1,400,525</u>
Expenditures					
Debt service/interfund interest	-	-	-	-	920
Administrative expenses	9,075	89,075	6,050	80,962	20,640
Development incentive/grant	-	980,000	653,333	-	-
Encumbrances	-	-	-	(61,339)	(12,100)
Total expenditures	<u>9,075</u>	<u>1,069,075</u>	<u>659,383</u>	<u>19,623</u>	<u>9,460</u>
Revenue over (under) expenditures	1,105,325	45,325	<u>\$ 448,617</u>	1,178,088	1,391,065
Fund balance, beginning of year	<u>1,242,282</u>	<u>1,242,282</u>		<u>1,242,282</u>	<u>(138,216)</u>
Fund balance, end of period	<u>\$ 2,347,607</u>	<u>\$ 1,287,607</u>		<u>\$ 2,420,370</u>	<u>\$ 1,252,849</u>

City of Franklin
Tax Increment Financing District #5
Balance Sheet
August 31, 2017 and 2016

<u>Assets</u>	2017	2016
Cash & investments	\$ 10,299	\$ -
Total Assets	<u>\$ 10,299</u>	<u>\$ -</u>
 <u>Liabilities and Fund Balance</u>		
Interfund advance from General Fund	\$ 74,695	\$ -
Total Liabilities	<u>74,695</u>	<u>-</u>
Unassigned fund balance	(64,396)	-
Total Liabilities and Fund Balance	<u>\$ 10,299</u>	<u>\$ -</u>

Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016

	2017 Annual Budget	2017 Amended Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual	2016 Year-to-Date Actual
Revenue					
Bond proceeds	\$ 11,430,312	\$ 11,430,312	\$ 11,430,312	\$ -	\$ -
Transfer from other funds	-	-	-	-	-
Total revenue	<u>11,430,312</u>	<u>11,430,312</u>	<u>11,430,312</u>	<u>-</u>	<u>-</u>
Expenditures					
Transfer to other funds	10,949,250	10,949,250	4,000,000	-	-
Debt service interest & fees	206,700	206,700	79,925	-	-
Administrative expenses	61,270	71,418	30,490	39,698	-
Encumbrances	-	-	-	(27,148)	-
Total expenditures	<u>11,217,220</u>	<u>11,227,368</u>	<u>4,110,415</u>	<u>12,550</u>	<u>-</u>
Revenue over (under) expenditures	213,092	202,944	<u>\$ 7,319,897</u>	(12,550)	-
Fund balance, beginning of year	(51,846)	(51,846)		(51,846)	-
Fund balance, end of period	<u>\$ 161,246</u>	<u>\$ 151,098</u>		<u>\$ (64,396)</u>	<u>\$ -</u>

City of Franklin
Solid Waste Collection Fund
Balance Sheet
August 31, 2017 and 2016

<u>Assets</u>	2017	2016
Cash and investments	\$ 959,435	\$ 884,135
Accrued Receivables	481	-
Total Assets	\$ 959,916	\$ 884,135
 <u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 127,765	\$ 123,190
Accrued salaries & wages	-	292
Restricted fund balance	832,151	760,653
Total Liabilities and Fund Balance	\$ 959,916	\$ 884,135

Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016

	2017 Adopted Budget	2017 Year-to-Date Actual	2016 Year-to-Date Actual
<u>Revenue</u>			
Grants	\$ 69,200	\$ 68,838	\$ 65,995
User Fees	1,203,200	1,210,068	1,198,161
Landfill Operations-tippage	346,000	199,880	192,931
Investment Income	2,500	8,082	8,567
Sale of Recyclables	500	28	905
Total Revenue	1,621,400	1,486,896	1,466,559
<u>Expenditures:</u>			
Personal Services	13,215	10,077	12,699
Refuse Collection	666,751	449,566	439,246
Recycling Collection	355,650	246,004	242,606
Leaf & Brush Pickups	54,300	18,086	17,787
Tippage Fees	455,000	260,106	251,657
Miscellaneous	3,500	1,789	2,740
Printing	1,800	-	115
Total expenditures	1,550,216	985,628	966,850
Revenue over (under) expenditures	71,184	501,268	499,709
Fund balance, beginning of year	330,883	330,883	260,944
Fund balance, end of period	\$ 402,067	\$ 832,151	\$ 760,653

**City of Franklin
Capital Outlay Fund
Balance Sheet
August 31, 2017 and 2015**

<u>Assets</u>	2017	2016
Cash and investments	\$ 434,519	\$ 709,280
Total Assets	\$ 434,519	\$ 709,280
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 35,441	\$ 32,030
Miscellaneous claims payable	-	6,422
Encumbrance	94,315	55,223
Assigned fund balance	304,763	615,605
Total Liabilities and Fund Balance	\$ 434,519	\$ 709,280

**Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016**

Revenue	2017 Original Budget	2017 Amended Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual *	2016 Year-to-Date Actual
Property Taxes	\$ 444,300	\$ 444,300	\$ 444,300	\$ 444,300	\$ 437,100
Grants	-	-	-	4,280	2,693
Landfill Siting	148,000	148,000	138,267	92,000	60,600
Investment Income	6,000	6,000	4,000	4,696	9,010
Miscellaneous Revenue	25,000	58,470	12,276	47,342	15,672
Transfers from Other Funds	3,500	3,500	2,625	-	-
Total Revenue	626,800	660,270	601,468	592,618	525,075
Expenditures:					
General Government	217,379	294,918	133,081	59,615	23,063
Public Safety	389,589	525,012	356,530	493,270	471,458
Public Works	51,000	51,000	33,257	31,871	75,055
Health and Human Services	-	-	-	-	-
Culture and Recreation	7,000	17,776	7,674	13,453	6,054
Conservation and Development	1,900	1,900	1,267	1,618	-
Contingency	30,000	20,470	20,000	-	-
Transfers to Other Funds	-	26,950	-	26,950	-
Total expenditures	696,868	938,026	551,809	626,777	575,630
Revenue over (under) expenditures	(70,068)	(277,756)	49,659	(34,159)	(50,555)
Fund balance, beginning of year	338,922	338,922		338,922	666,160
Fund balance, end of period	\$ 268,854	\$ 61,166		\$ 304,763	\$ 615,605

* Amount shown is actual expenditures plus encumbrance

**City of Franklin
Equipment Replacement Fund
Comparative Balance Sheet
August 31, 2017 and 2016**

	2017	2016
<u>Assets</u>		
Cash and investments	\$ 2,333,801	\$ 2,454,567
Total Assets	<u>\$ 2,333,801</u>	<u>\$ 2,454,567</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ -	\$ 55,449
Encumbrance	88,644	80,283
Assigned fund balance	2,245,157	2,318,835
Total Liabilities and Fund Balance	<u>\$ 2,333,801</u>	<u>\$ 2,454,567</u>

**Comparative Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016**

	2017 Original Budget	2017 Amended Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual *	2016 Year-to-Date Actual
Revenue:					
Property Taxes	\$ 348,300	\$ 348,300	\$348,300	\$ 348,300	\$ 342,600
Landfill	200,000	200,000	184,288	125,300	168,100
Investment Income	25,000	25,000	16,667	30,006	22,305
Property Sales	15,000	15,000	8,607	21,626	81,279
Total revenue	<u>588,300</u>	<u>588,300</u>	<u>557,862</u>	<u>525,232</u>	<u>614,284</u>
Expenditures:					
Public Safety	250,000	250,000	235,895	233,517	-
Public Works	400,000	436,891	298,266	417,561	600,092
Total expenditures	<u>650,000</u>	<u>686,891</u>	<u>534,161</u>	<u>651,078</u>	<u>600,092</u>
Revenue over (under) expenditures	(61,700)	(98,591)	<u>23,701</u>	(125,846)	14,192
Fund balance, beginning of year	<u>2,371,003</u>	<u>2,371,003</u>		<u>2,371,003</u>	<u>2,304,643</u>
Fund balance, end of period	<u>\$ 2,309,303</u>	<u>\$ 2,272,412</u>		<u>\$ 2,245,157</u>	<u>\$ 2,318,835</u>

* Amount shown is actual expenditures plus emcumbrance

**City of Franklin
Street Improvement Fund
Balance Sheet
August 31, 2017 and 2016**

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Cash and investments	\$ 1,040,844	\$ 1,028,233
Total Assets	\$ 1,040,844	\$ 1,028,233
 <u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 4,712	\$ 684,865
Encumbrances	837,433	-
Assigned fund balance	198,699	343,368
Total Liabilities and Fund Balance	\$ 1,040,844	\$ 1,028,233

**Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016**

	<u>2017 Original Budget</u>	<u>2017 Year-to-Date Totals</u>	<u>2016 Year-to-Date Totals</u>
Revenue:			
Property Taxes	\$ 704,900	\$ 704,900	\$ 693,500
Landfill Siting	133,000	83,400	110,900
Investment Income	5,500	5,818	3,854
Total revenue	843,400	794,118	808,254
 Expenditures:			
Street Reconstruction Program - Current Year	940,000	852,747	710,841
Street Reconstruction Program - Prior Year(s)	-	-	-
Total expenditures	940,000	852,747	710,841
Revenue over (under) expenditures	(96,600)	(58,629)	97,413
Fund balance, beginning of year	257,328	257,328	245,955
Fund balance, end of period	\$ 160,728	\$ 198,699	\$ 343,368

City of Franklin
Capital Improvement Fund
Balance Sheet
August 31, 2017 and 2016

<u>Assets</u>	2017	2016
Cash and investments	\$ 2,728,688	\$ 2,245,698
Accrued receivables	847	22,596
Total Assets	\$ 2,729,535	\$ 2,268,294
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 11,924	\$ 2,529
Contracts Payable	-	20,465
Accrued payables	90,000	52,000
Fund Balance - Encumbrance	1,180,250	633,421
Assigned fund balance	1,447,361	1,559,879
Total Liabilities and Fund Balance	\$ 2,729,535	\$ 2,268,294

Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016

	2017 Original Budget	2017 Amended Budget	2017 Year-to-Date Totals	2016 Year-to-Date Totals
Revenue:				
Block Grants	\$ -	\$ -	\$ -	\$ -
Landfill Siting	389,500	389,500	118,679	188,019
Transfers from Other Funds	390,000	390,000	-	-
Transfers from General Funds	10,949,250	10,949,250	-	800,000
Transfers from Impact Fees	2,779,725	2,779,725	-	137,319
Transfers from Connection Fees	900,000	900,000	-	-
Bond Proceeds	8,500,000	8,500,000	-	-
Refunds & Reimbursements	-	207,480	97,480	-
Investment Income	5,000	5,000	31,454	5,158
Total revenue	23,913,475	24,120,955	247,613	1,130,496
Expenditures:				
General Government	1,800,000	1,930,000	39,123	-
Public Safety	102,800	396,857	274,867	383,581
Public Works	11,653,000	12,615,494	1,145,800	223,186
Culture and Recreation	4,824,326	4,848,801	54,650	537,509
Sewer & Water	4,059,500	4,059,500	-	116,177
Contingency	2,196,375	2,157,855	3,084	-
Bond/Note Issuance Cost	170,000	170,000	-	-
Total expenditures	24,806,001	26,178,507	1,517,524	1,260,453
Revenue over (under) expenditures	(892,526)	(2,057,552)	(1,269,911)	(129,957)
Fund balance, beginning of year	2,717,272	2,717,272	2,717,272	1,689,836
Fund balance, end of period	\$ 1,824,746	\$ 659,720	\$ 1,447,361	\$ 1,559,879

**City of Franklin
Development Fund
Comparative Balance Sheet
August 31, 2017 and 2016**

Assets	2017	2016
Cash and investments	\$ 3,991,049	\$ 3,893,004
Due From TID 3	275,000	275,000
Total Assets	\$ 4,266,049	\$ 4,168,004
Liabilities and Fund Balance		
Accounts payable	\$ -	\$ -
Payable to Developers- Oversizing	79,732	-
Non-Spendable Fund Balance - Advances	275,000	275,000
Encumbrance	3,321	3,321
Assigned fund balance	3,907,996	3,889,683
Total Fund Balance	4,182,996	4,164,683
Total Liabilities and Fund Balance	\$ 4,266,049	\$ 4,168,004

**Comparative Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016**

	2017 Original Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual	2016 Year-to-Date Actual
Revenue:				
Impact Fee: Parks	\$ 300,000	\$ 226,658	\$ 47,565	\$ 170,788
Impact Fee: Southwest Sewer Serv	-	-	-	-
Impact Fee: Administration	6,000	4,595	2,255	4,345
Impact Fee: Water	275,000	201,935	101,610	173,657
Impact Fee: Transportation	37,000	26,120	18,174	7,646
Impact Fee: Fire Protection	40,000	28,916	15,009	25,468
Impact Fee: Law Enforcement	73,000	52,703	27,526	47,307
Impact Fee: Library	60,000	44,922	13,845	48,056
Total Impact Fees	791,000	585,849	225,984	477,267
Investment Income	35,000	23,333	45,668	39,719
Interfund Interest Income	1,618	1,079	4,773	6,483
Total revenue	827,618	610,261	276,425	523,469
Expenditures:				
Other Professional Services	5,000	5,000	3,321	3,321
Transfer to Debt Service:				
Law Enforcement	205,000	54,854	12,000	21,681
Fire	43,100	29,603	28,220	37,637
Transportation	73,250	13,455	-	-
Library	133,100	44,187	8,785	10,481
Total Transfers to Debt Service	454,450	142,099	49,005	69,799
Transfer to Capital Improvement Fund:				
Park	2,891,185	786,032	-	137,319
Total Transfers to Capital Improve	2,891,185	786,032	-	137,319
Water Fees	500,000	333,333	99,665	-
Total expenditures	3,850,635	1,266,464	151,991	210,439
Revenue over (under) expenditures	(3,023,017)	(656,203)	124,434	313,030
Fund balance, beginning of year	4,058,562		4,058,562	3,851,653
Fund balance, end of period	\$ 1,035,545		\$ 4,182,996	\$ 4,164,683

City of Franklin
Utility Development Fund
Comparative Balance Sheet
August 31, 2017 and 2016

<u>Assets</u>	2017	2016
Cash and investments - Water	\$ 539,290	\$ 375,593
Cash and investments - Sewer	713,616	559,163
Special Assessment - Water Current	212,416	316,797
Special Assessment - Water Deferred	332,962	362,373
Special Assessment - Sewer Current	297,705	393,369
Special Assessment - Sewer Deferred	76,728	116,426
Reserve for Uncollectible	(40,982)	(110,090)
Total Assets	\$ 2,131,735	\$ 2,013,631
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ -	\$ -
Unearned Revenue	878,829	1,078,875
Total Fund Balance	1,252,906	934,756
Total Liabilities and Fund Balance	\$ 2,131,735	\$ 2,013,631

Comparative Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016

	2017 Original Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual	2016 Year-to-Date Actual
Revenue:				
Special Assessments				
Water	\$ 73,000	\$ 23,819	\$ 468	\$ 13,880
Sewer	50,000	15,656	-	-
Connection Fees				
Water	4,100	2,596	2,281	-
Sewer	35,000	25,538	15,780	11,400
Total Impact Fees	162,100	67,609	18,529	25,280
Special Assessment Interest	44,400	6,891	17	81
Investment Income	-	-	10,170	2,392
Total revenue	206,500	74,500	28,716	27,753
Transfer to Capital Improvement Fund:				
Water	450,000	-	-	-
Sewer	450,000	197,957	-	-
Total Transfers to Capital Improven	900,000	197,957	-	-
Revenue over (under) expenditures	(693,500)	(123,457)	28,716	27,753
Fund balance, beginning of year			1,224,190	907,003
Fund balance, end of period			\$ 1,252,906	\$ 934,756

City of Franklin
Self Insurance Fund - Actives
Balance Sheet
August 31, 2017 and 2016

<u>Assets</u>	2017	2016
Cash and investments	\$ 2,294,024	\$ 3,085,188
Accounts receivable	588	288
Interfund advance receivable	275,000	275,000
Prepaid expenses	23,500	57,500
Total Assets	\$ 2,593,112	\$ 3,417,976
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ 4,056	\$ 5,453
Claims payable	270,500	270,500
Unrestricted net assets	2,318,556	3,142,023
Total Liabilities and Fund Balance	\$ 2,593,112	\$ 3,417,976

City of Franklin Self Insurance Fund - Actives
Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016

	2017 Budget	2017 Year-to-Date Budget	2017 Year-to-Date Actual	2016 Year-to-Date Actual
Revenue				
Medical Premiums-City	\$ 2,573,850	1,749,242	\$ 1,628,234	\$ 1,647,117
Medical Premiums-Employee	426,800	287,527	283,120	278,266
Other - Investment Income, etc.	35,000	23,333	48,642	41,772
Medical Revenue	3,035,650	2,060,102	1,959,996	1,967,155
Dental Premiums-City	115,400	66,027	72,474	71,196
Dental Premiums-Retirees	5,850	4,471	2,610	2,592
Dental Premiums-Employee	56,100	37,941	36,597	37,602
Dental Revenue	177,350	108,439	111,681	111,390
Total Revenue	3,213,000	2,168,541	2,071,677	2,078,545
Expenditures:				
Active Employees-Medical				
Medical claims - Current Year	2,119,200	1,213,624	1,351,874	1,361,155
Medical claims - Prior Year	-	-	263,115	249,351
Prescription drug claims	335,000	206,431	185,826	189,180
Refunds-Stop Loss Coverage	-	-	(4,349)	(125,878)
Total Claims-Actives	2,454,200	1,420,055	1,796,466	1,673,808
Medical Claim Fees	224,300	158,479	134,738	118,860
Memberships	-	-	3,180	3,120
Miscellaneous Wellness	75,000	24,494	16,300	12,273
Section 125 administration Fee	6,200	4,088	1,634	1,339
Stop Loss Premiums	635,900	448,031	418,586	430,963
ACA Fees	25,000	25,000	1,309	27,143
Total Medical Costs-Actives	3,420,600	2,080,147	2,372,213	2,267,506
Active Employees-Dental				
Dental Claims	152,000	99,993	108,407	115,822
Dental Claim Fees	12,000	8,345	14,008	8,116
Total Dental Costs-Actives	164,000	108,338	122,415	123,938
Retirees-Dental				
Dental Claims	6,100	4,135	4,352	6,836
Dental Claim Fees	200	145	216	124
Total Dental Costs-Retirees	6,300	4,280	4,568	6,960
Total Dental Costs	170,300	112,618	126,983	130,898
Claims contingency	591,500	394,333	-	-
Total Expenditures	4,182,400	2,587,098	2,499,196	2,398,404
Revenue over (under) expenditures	(969,400)	\$ (418,557)	(427,519)	(319,859)
Net assets, beginning of year	2,746,075		2,746,075	3,461,882
Net assets, end of period	\$ 1,776,675		\$ 2,318,556	\$ 3,142,023

City of Franklin
City of Franklin Post Employment Benefits Trust
Balance Sheet
August 31, 2017 and 2016

<u>Assets</u>	2017	2016
Cash and investments	\$ -	\$ -
Investments held in trust - Fixed Inc	1,880,359	1,457,185
Investments held in trust - Equities	3,462,612	3,536,085
Accounts receivable	4,360	2,728
Due from Water Utility	408	-
Total Assets	\$ 5,347,739	\$ 4,995,998
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ 353	\$ 353
Claims payable	45,000	45,000
Due to City	11,536	196,281
Net assets held in trust for post emp	5,290,850	4,754,364
Total Liabilities and Fund Balance	\$ 5,347,739	\$ 4,995,998

City of Franklin Post Employment Benefits Trust
Statement of Revenue, Expenses and Fund Balance
For the Eight months ended August 31, 2017 and 2016

	2017	2016
	Year-to-Date	Year-to-Date
<u>Revenue</u>	<u>Actual</u>	<u>Actual</u>
ARC Medical Charges - City	\$ 124,484	\$ 116,813
Medical Charges - Retirees	67,635	62,700
Implicit Rate Subsidy	79,562	75,805
Medical Revenue	271,681	255,318
Expenditures:		
Retirees-Medical		
Medical claims - Current Year	117,828	96,101
Medical claims - Prior Year	18,944	33,289
Prescription drug claims	67,878	59,200
Refunds-Stop Loss Coverage	-	3,239
Total Claims-Retirees	204,650	191,829
Medical Claim Fees	14,679	11,292
Stop Loss Premiums	51,921	49,724
Miscellaneous Expense	300	255
ACA Fees	131	2,218
Total Medical Costs-Retirees	271,681	255,318
Revenue over (under) expenditures	-	-
Annual Required Contribution-Net	29,678	(48,003)
Other - Investment Income, etc.	375,336	284,382
Total Revenues	405,014	236,379
Net Revenues (Expenditures)	405,014	236,379
Net assets, beginning of year	4,885,836	4,517,985
Net assets, end of period	\$ 5,290,850	\$ 4,754,364

APPROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 10/03/2017
REPORTS & RECOMMENDATIONS	Committee of the Whole Recommendations	ITEM NUMBER <i>G.10.</i>

Review of Mayor's Recommended 2018 Budget (Including all Funds, Departments, Revenues, Expenditures and Activities).

COUNCIL ACTION

As directed

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APPROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 10/3/17
LICENSES AND PERMITS	MISCELLANEOUS LICENSES	ITEM NUMBER H.1.
<p>See attached list from meeting of October 3, 2017.</p> <p>COUNCIL ACTION REQUESTED</p>		



9229 W. Loomis Road
Franklin, WI 53132-9728

414-425-7500

**License Committee
Agenda*
Aldermen's Room
October 3rd, 2017 – 5:45 pm**

1.	Call to Order & Roll Call	Time:		
2.	Applicant Interviews & Decisions			
License Applications Reviewed		Recommendations		
Type/ Time	Applicant Information	Approve	Hold	Deny
Class B Combination, Entertainment & Amusement 2017-18 5:50 p.m.	Rock Snow Park LLC DBA Rock Snow Park 7900B W Crystal Ridge Rd (Ski chalet & ski hill) David R Schmitz, Agent			
Mobile Home 2017-18	Badger MHP, LLC DBA Badger Mobile Home Park 6405 S 27 th St Jason Janda, Manager			
Operator	Richard G Elliott 9461 S 27 th St., Apt. 3 Franklin, WI 53132 Buckhorn Bar & Grill			
Operator	Jocelyn M Hart 11522 W Swiss St Franklin, WI 53132 Cross Roads Pizza & Subs			
Operator	Cathryn A Hintz 5225 S Brennan Dr New Berlin, WI 53146 Romey's Place			
3.	Adjournment			
		Time		

*Notice is given that a majority of the Common Council may attend this meeting to gather information about an agenda item over which they have decision-making responsibility. This may constitute a meeting of the Common Council per State ex rel. Badke v. Greendale Village Board, even though the Common Council will not take formal action at this meeting.

APPROVAL <i>Slw PA</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 10/3/17
Bills	Vouchers and Payroll Approval	ITEM NUMBER I. 1

Attached are vouchers dated September 15, 2017 through October 2, 2017 Nos. 166283 through Nos. 166459 in the amount of \$ 1,997,140.98. Included in this listing are EFT's Nos. 3588 through Nos. 3599 and Library vouchers totaling \$ 13,983.61. Voided checks in the amount of \$ (4,767.71) are separately listed.

Early release disbursements dated September 15, 2017 through September 28, 2017 in the amount of \$ 582,192.01 are provided on a separate listing and are also included in the complete disbursement listing. These payments have been released as authorized under Resolution 2013-6920.

The net payroll dated September 29, 2017 is \$ 399,676.56, previously estimated at \$ 404,000.00. Payroll deductions dated September 29, 2017 are \$ 411,314.59 previously estimated at \$ 412,000.00.

The estimated payroll for October 13, 2017 is \$ 370,000.00 with estimated deductions and matching payments of \$ 218,000.00.

Attached is a list of property tax refunds dated September 15, 2017 through October 2, 2017 Nos. 17206 in the amount of \$ 225.22. These payments have been released as authorized under Resolution 2013-6920. Voided checks in the amount of \$ (225.22) are separately listed.

COUNCIL ACTION REQUESTED

Motion approving the following:

- City vouchers with an ending date of October 2, 2017 in the amount of \$ 1,997,140.98 and
- Payroll dated September 29, 2017 in the amount of \$ 399,676.56 and payments of the various payroll deductions in the amount of \$ 411,314.59 plus City matching payments and
- Estimated payroll dated October 13, 2017 in the amount of \$ 370,000.00 and payments of the various payroll deductions in the amount of \$ 218,000.00, plus City matching payments and
- Property tax refunds with an ending date of October 2, 2017 in the amount of \$ 225.22

ROLL CALL VOTE NEEDED