

AGENDA

COMMITTEE ON HUMAN RESOURCES/INSURANCE

November 10, 2009

Aldermen Gatsas, Shea, Lopez,
Garrity, Pinard

5:15 PM

Aldermanic Chambers
City Hall (3rd Floor)

1. Chairman Gatsas calls the meeting to order.
2. The Clerk calls the roll.
3. List of arbitration cases to be submitted by Jane Gile, Human Resources Director, for informational purposes.
Gentlemen, what is your pleasure?
4. Communication from David Mara, Chief of Police, requesting an increase in the department's complement of two additional officers funded for two years as a result of a grant through the US Department of Justice for the Child Sexual Predators program.
(Note: Recommendation from the Human Resources Director in favor of this request is attached)
Gentlemen, what is your pleasure?
5. Communication from David Mara, Chief of Police, requesting that the title of Deputy Chief be changed to Assistant Chief.
Gentlemen, what is your pleasure?
6. Communication from David Mara, Chief of Police, requesting that the vacant deputy chief position be eliminated and replaced with one sergeant position and that one patrolman position be eliminated and replaced with one sergeant position.
(Note: Recommendation from the Human Resources Director in favor of this request is attached)
Gentlemen, what is your pleasure?

7. Recommendation from Jane Gile, Human Resources Director, to increase the complement of the Health Department by adding two Public Health Specialists I and two Public Health Specialists II.
Gentlemen, what is your pleasure?

8. Communication from Jane Gile, Human Resources Director, requesting authorization to enter into a Trust Agreement with Reliance Trust Company.
Gentlemen, what is your pleasure?

TABLED ITEMS

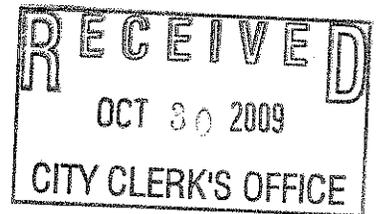
A motion is in order to remove any item from the table.

9. Discussion relative to the guidelines of the Bright Ideas Evaluation Committee awards.
(Note: Referred from the Board of Mayor and Aldermen on 9/16/08; The Committee has requested members of the Quality Council to appear at the next meeting to discuss the issue further; Tabled 11/12/08.)
(Revisions attached submitted by the Quality Council on 4/24/09.)

10. Communication from Jane Gile, Human Resources Director, recommending the City enter into a fiduciary partnership program and advisory services agreement with Mesirow Financial Investment Management, Inc. This agreement will in effect provide the necessary indemnification required by Mesirow.
(Note: A representative from Hartford Life is requested to present the costs associated with the recommendation.)

11. If there is no further business a motion is in order to adjourn.

Jane Gile
Human Resources Director



CITY OF MANCHESTER
Human Resources Department

November 1, 2009

Alderman Ted Gatsas, Chair
Human Resources and Insurance Committee
City of Manchester
One City Hall Plaza
Manchester, NH 03101

RE: INFORMATIONAL ONLY
Summary of Outstanding Arbitrations and Grievances

Dear Alderman Gatsas:

Attached is a summary of the current status of outstanding union grievances and arbitrations as of the above date.

Sincerely,

Jane E. Gile, SPHR
Human Resources Director

**2009 OUTSTANDING GRIEVANCES
& RECENT ARBITRATION DECISIONS**
November 1, 2009

UNION	#	GRIEVANCE	POTENTIAL IMPACT	STATUS	ARB#/DATE	OUTCOME
IAFF	G-09-02-136	Pay step violation of Article 12	\$158,000 projection (61 members) – Current 53 mmbrs - \$137,000 Increase to base salary ongoing	Arbitration	G-0070 9/23/09	
IAFF	G-07-10-124	HAZ-Mat physicals	Loss of HAZ-Mat team	Pre-Arb – 10/2/08 placed on hold		
IAFF	G-08-11-133	Pay Rate Calculation – rounding issue	Precedent – rounding works both ways some employees see less, some more.	Union letter dated 9/30/09 demanding payment for underpayments	Wage and Hour dispute	Working on resolution
MPPA	1-09	Violation of Article 13.1 Step increase	\$59,000 projection (21 members) Increase to base salary ongoing	Arbitration	G-0103-1 9/28/09 postponed by union – 11/24/09 reschedule date	
USW	5-07	Inventory Specialist	Cost of higher grade – precedent setting	Superior Court/Arbitration	G-0058- PELRB	
USW	2-09	Department Head denied tuition assistance request for EMT course	Precedent Cost of course	Arbitration	G-0058-7 03/30/10	
USW	5-09	Dept. used annual performance evaluation not to develop better job		Pre-Arb 11/16/09		

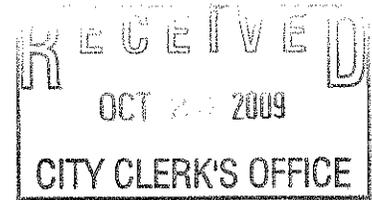
3-2

**2009 OUTSTANDING GRIEVANCES
& RECENT ARBITRATION DECISIONS**
November 1, 2009

		performance, but as a disciplinary tool				
USW	6-09	Employee called in sick but was seen in public and reported to management			Pre-Arb 11/16/09	
USW	7-09	Employee alleges he was denied Weingarten Rights			Pre-Arb 11/16/09	
AFSCME	1-09	Denied Plus Rate – PW decision to give to more qualified employee	Precedent		Arbitration	G-0008-3 3/24/10
AFSCME	3-09	Anthem RX co-pays – higher than CIGNA for certain RX	Precedent Additional costs based on formulary differences		Pre-Arbitration 10/6/09 Follow-up 11/30/09	
AFSCME	4-09	Grieving termination	Job reinstatement		Pre-Arb 10/19/09 Arbitration filed	
AFSCME	Unfair Labor Practice	Alleges City did not recognize certain members of Facilities as eligible for membership				G-0008-4 Pre-hearing conference @ PELRB 11/16/09 Adjudicatory hearing 12/8/09

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Jane Gile
Human Resources Director



CITY OF MANCHESTER Human Resources Department

October 20, 2009

Alderman Ted Gatsas, Chair
Human Resources and Insurance Committee
City of Manchester
One City Hall Plaza
Manchester, NH 03101

RE: Increase in Police Department Complement

Dear Alderman Gatsas:

The Manchester Police Department has received a grant in the amount of \$380,937 from the Department of Justice. Among other things, the grant funds two entry level police officers, who will investigate alleged violations of sexual offender laws in the City of Manchester.

Adding the two grant-funded police officers increases the police department complement from 225 sworn personnel to 227 for at least the next 2 years.

The HR Director recommends approval of this request and applauds the efforts of the department in securing grant funds. It is understood that the Manchester Police Department is under no obligation to carry the positions once grant funds are expended. The authority to sustain the complement of sworn personnel beyond the funding period rests with the Board of Mayor and Aldermen.

Sincerely,

Jane E. Gile
Human Resources Director

Chief of Police
David J. Mara
Assistant Chief
Gary T. Simmons

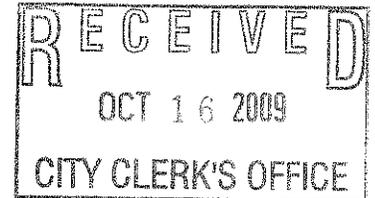


Commission
Thomas J. Hammond
Calvin T. Cramer
Thomas D. Noonan
Richard M. Bunker
Jerome B. Duval

Executive Secretary
Kim R. Demers

CITY OF MANCHESTER
Police Department

October 16, 2009



Chairman Theodore Gatsas - Chairman
Committee on Human Resources
One City Hall Plaza
Manchester, NH 03101

Re: Increase in Police Department Compliment with Grant Award

Dear Committee,

Several months ago the Manchester Police Department applied for a grant through the U.S. Department of Justice to fund a Child Sexual Predator Program. The purpose of the grant is to enhance our efforts in enforcement of registered sexual offender laws through compliance checks and investigation.

The grant provides for training, overtime for compliance checks and funding for two entry level police officer positions, which would increase our compliment to 227 sworn personnel. These two officers would be assigned to investigate all alleged violations of the sexual offender laws as it relates to the City of Manchester.

We recently received the award notification from the Department of Justice in the amount of \$380,937, which has been submitted to the CIP committee for their approval. We are seeking the approval of the Human Resource Committee to accept this grant by approving the increase in our compliment of two additional officers, both fully funded for two years as a result of this grant award.

If you have any questions please do not hesitate to contact me.

Sincerely,

David J. Mara
Chief of Police

Cc: file

Ralph Miller Public Safety Center
351 Chestnut Street • Manchester, New Hampshire 03101 • (603) 668-8711 • FAX: (603) 668-8941
E-mail: ManchesterPD@manchesternh.gov • Website: www.manchesterpd.com

A NATIONALLY ACCREDITED LAW ENFORCEMENT AGENCY



4-2

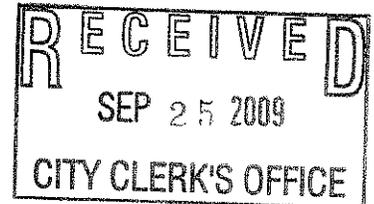
Chief of Police
David J. Mara
Assistant Chief
Gary T. Simmons



Commission
Thomas J. Hammond
Calvin T. Cramer
Thomas D. Noonan
Richard M. Bunker
Jerome B. Duval
Executive Secretary
Kim R. Demers

CITY OF MANCHESTER
Police Department

September 25, 2009



Alderman Ted Gatsas
Chairman
Committee on Human Resources/Insurance
One City Hall Plaza
Manchester, NH 03101

Dear Alderman Gatsas:

The Manchester Police Department has been reorganized. Prior to the reorganization process the department consisted of three divisions: Administration, Investigative and Patrol, each of which was headed by a deputy-chief. Two deputy chief positions were eliminated, as the reorganization established six divisions: Administration, Community Policing, Investigative, Legal, Special Enforcement, and Patrol, each of which is commanded by a captain who reports to the remaining deputy chief.

I am requesting that the title of Deputy Chief be changed to *Assistant Chief*. This change will have no fiscal impact.

Sincerely,

David J. Mara
Chief of Police

kd

c: Mayor Quinta
City Clerk
Human Resources



Chief of Police
David J. Mara
Assistant Chief
Gary T. Simmons



Commission
Thomas J. Hammond
Calvin T. Cramer
Thomas D. Noonan
Richard M. Bunker
Jerome B. Duval

Executive Secretary
Kim R. Demers

CITY OF MANCHESTER
Police Department

September 25, 2009

Alderman Ted Gatsas
Chairman
Committee on Human Resources/Insurance
One City Hall Plaza
Manchester, NH 03101

Dear Alderman Gatsas:

The police department currently has a vacant deputy chief position that has been left unfilled since December 30, 2009. I am requesting that the vacant deputy chief position be eliminated and replaced with one sergeant position. Additionally, I request that one patrolman position be eliminated and replaced with one sergeant position.

The police department is nearing completion of a restructuring process, with one of its goals to place more emphasis on first-line supervision. The department is currently comprised of 70 officers with less than five years on the job, 46 with between five and ten years, 55 with between ten and fifteen years, and 45 with fifteen years or more. The above numbers include supervisors and patrolmen.

The majority of officers that are assigned to the Patrol Division have less than five years of service. This number is going to increase this fall when the department is expecting to hire at least ten new police officers that will be assigned to the Patrol Division. That is where more lower-level supervision is needed. Patrol officers are the men and women who respond to the calls for service and who must make very important decisions in a short period of time. Many of these decisions can seriously impact the community, as well as the department.

The deputy chief position had become vacant with the retirement of Deputy Chief of Patrol Marc Lussier on December 31, 2008. Since his retirement, the department has continued the ongoing process of restructuring, and as a result, the Patrol Division is now headed by a captain.

Prior to commencement of the reorganization process in 2008, the department consisted of three divisions: Administration, Investigative and Patrol, each of which was headed by a deputy chief (Appendix A).

Ralph Miller Public Safety Center
351 Chestnut Street • Manchester, New Hampshire 03101 • (603) 668-8711 • FAX: (603) 668-8941
E-mail: ManchesterPD@manchesternh.gov • Website: www.manchesterpd.com

A NATIONALLY ACCREDITED LAW ENFORCEMENT AGENCY

10-1



The department is currently organized into six divisions: Administration, Community Policing, Investigative, Legal, Special Enforcement, and Patrol (Appendix B). Each of the six divisions is commanded by a captain who reports to an assistant chief.

As I stated above, I believe that it is imperative to add more line officer supervision. Eliminating the vacant deputy chief position and one patrolman position and replacing each with a sergeant position would achieve this goal without any fiscal impact and without increasing the department's complement.

Deputy Police Chief	106,889
Police Officer - average	<u>54,542</u>
	161,431
Police Sergeant - average	71,452
Police Sergeant - average	<u>71,452</u>
	142,904
Savings	(18,527)

Sincerely,

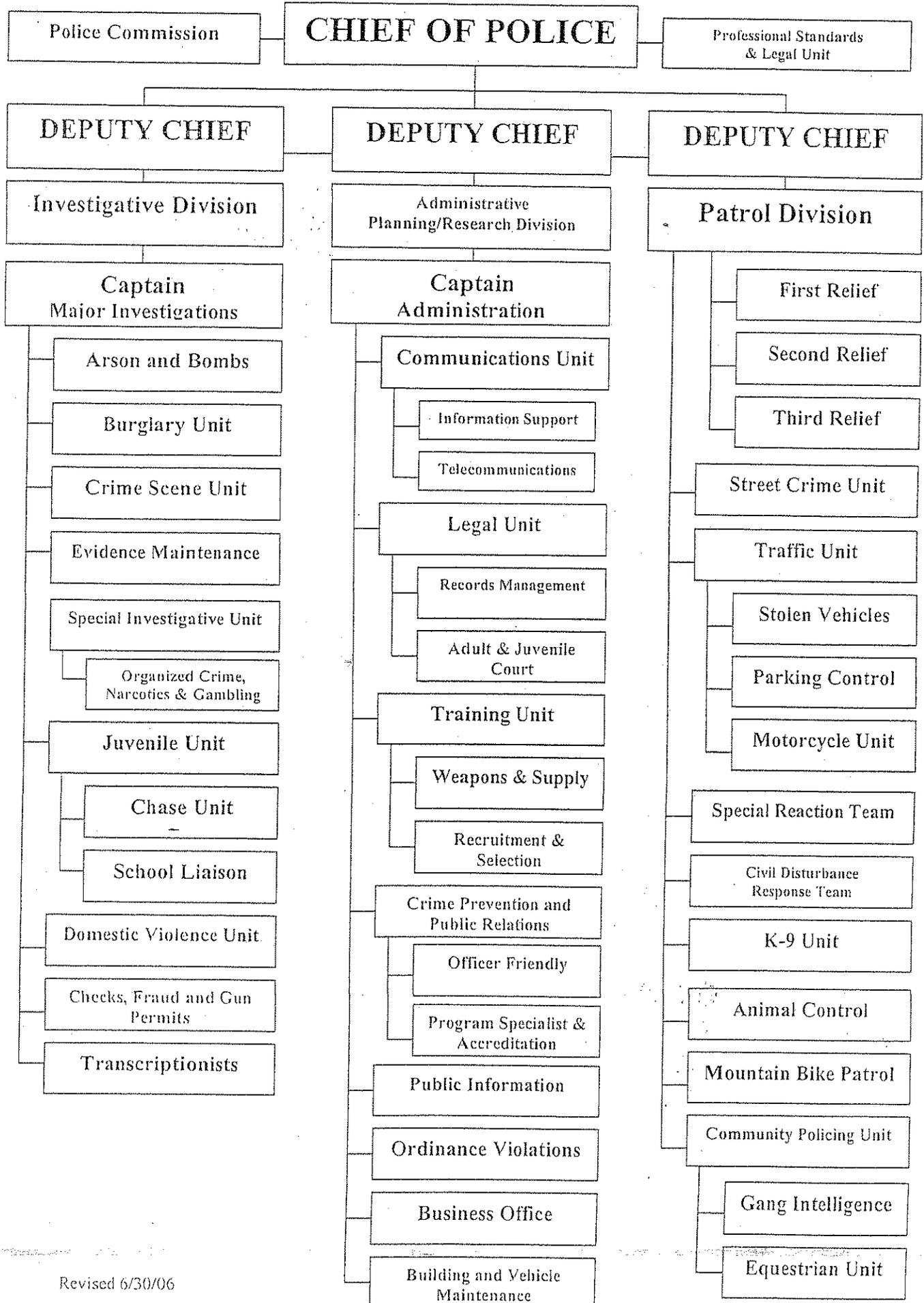


David J. Mara
Chief of Police

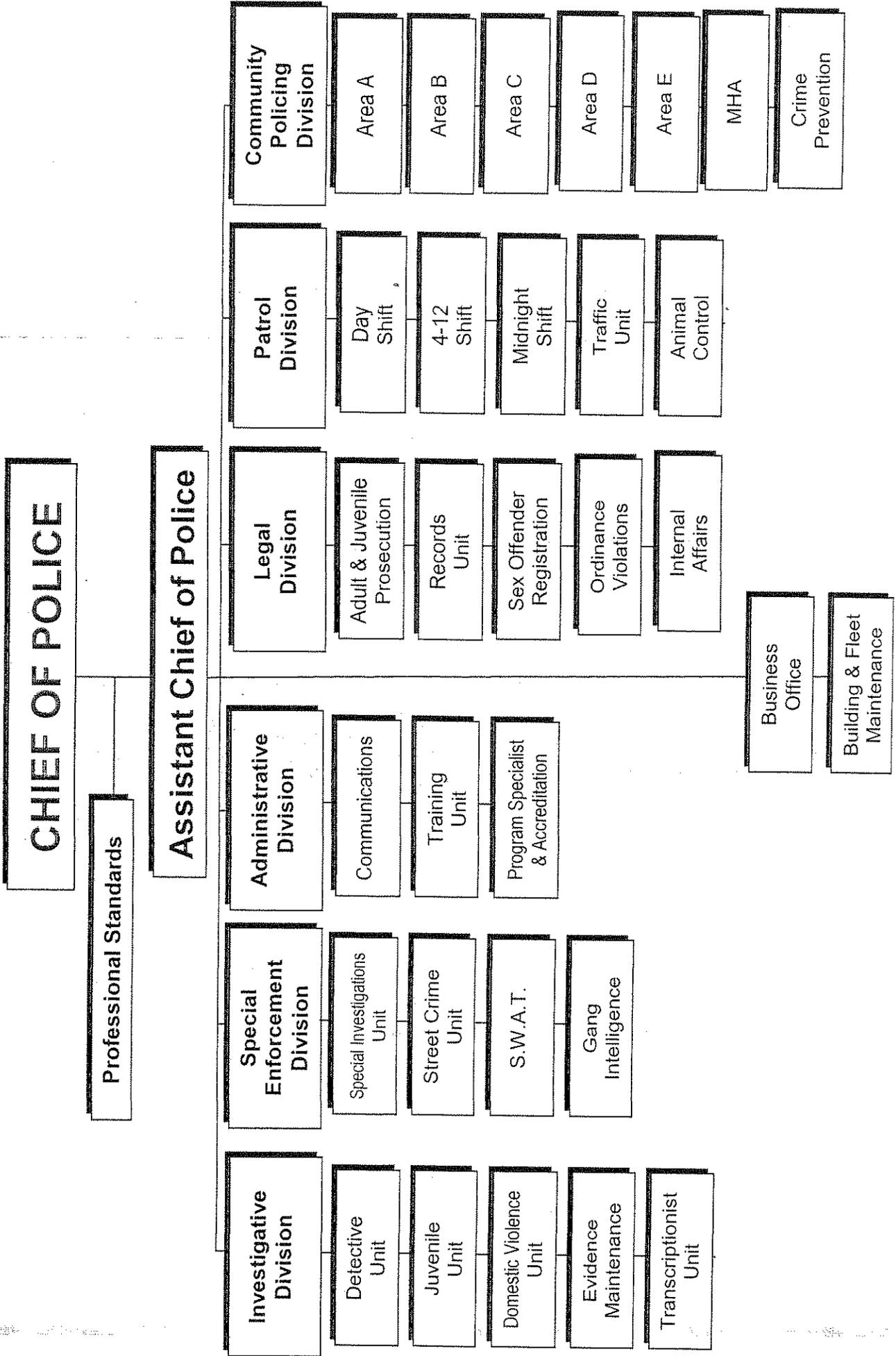
kd
Attachments

c: Mayor Guinta
City Clerk
Human Resources

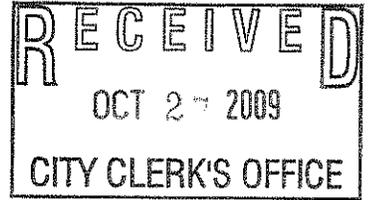
APPENDIX A



Manchester Police Department Organizational Chart



Jane Gile
Human Resources Director



CITY OF MANCHESTER Human Resources Department

October 27, 2009

Alderman Ted Gatsas, Chair
Human Resources and Insurance Committee
One City Hall Plaza
Manchester, NH 03101

RE: Police Department Restructuring

Dear Alderman Gatsas:

The Police Chief has submitted a proposal to the HRIC relative to the final steps of the Manchester Police Department's (MPD) restructuring plan.

The proposal eliminates (1) one of the remaining (2) two Deputy Chief positions and eliminates (1) one police officer position. The Chief further proposes that the two eliminated positions be replaced by (2) Sergeant positions.

Should these changes be approved, the Police Department's Organizational Chart will be aligned according to Appendix B (attached) - Six divisions each headed by a Captain with each Captain reporting to the Assistant Chief of Police (the Asst. Chief class specification is being developed; the remaining Deputy Chief is acting as Asst. Chief).

With the changes, the MPD's new complement of 225 sworn personnel is as follows:

1	Chief
1	Asst. Chief
6	Captains
23	Sergeants
9	Lieutenants
185	Police Officers

The recommendation of the HRIC is to approve the request to eliminate one Deputy Chief and one Police Officer position and to replace them with two Sergeants.

Respectfully submitted,

Jane E. Gile, HR Director

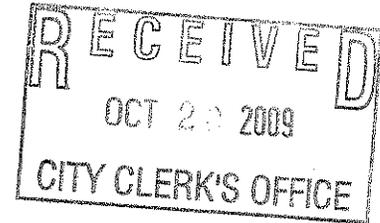
1 City Hall Plaza • Human Resources Department • Manchester, New Hampshire 03101 • (603) 624-6543 •

FAX: (603) 628-6065

E-mail: HumanResources@ManchesterNH.gov • Website: www.manchesternh.gov

6-5

Jane Gile
Human Resources Director



CITY OF MANCHESTER
Human Resources Department

October 20, 2009

Alderman Ted Gatsas, Chair
Human Resources and Insurance Committee
City of Manchester
One City Hall Plaza
Manchester, NH 03101

RE: Increase in Health Department Complement

Dear Alderman Gatsas:

Tim Soucy, Public Health Director, is requesting to increase the complement of the Health Department positions by four (4) – two (2) Public Health Specialists I and two (2) Public Health Specialists II.

Soucy anticipates receiving grant funding to expand community public health services in the City of Manchester. He requests that the complement be increased prior to the actual grant awards in order to be ready to begin the hiring process once the funds are secured.

The positions are limited term (grant-funded), thereby not impacting the general fund nor carried in the Health Department complement once grant funds are exhausted.

The HR Director supports this request and applauds the department in its endeavors to seek funding opportunities to perform much needed and innovative public health work in the City.

Sincerely,

Jane E. Gile, SPHR
Human Resources Director

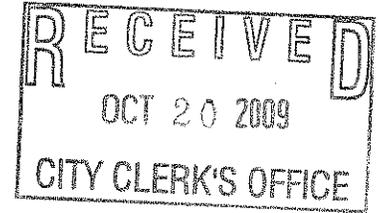
Timothy M. Soucy, MPH, REHS
Public Health Director

Anna J. Thomas, MPH
Deputy Public Health Director



BOARD OF HEALTH
Carol Bednarowski
Robert Duhaime, RN, MBA
Laura Smith Emmick, MD
William Mehan, DMD, MS
Kristin Schmidt, PA-C

CITY OF MANCHESTER
Health Department



October 19, 2009

Alderman Ted Gatsas, Chair
Human Resource and Insurance Committee
C/o Matt Normand, City Clerk
City of Manchester
One City Hall Plaza
Manchester, New Hampshire 03101

RE: Request to Increase Health Department Compliment

Dear Alderman Gatsas,

Within the next several months the Health Department will be aggressively seeking new grant funding opportunities to expand our public health work in the community. With these funds will come the need to hire staff to implement these new programs. In an effort to be proactive and reduce the time to get new programs off the ground, we are requesting that the Health Department compliment be increased by four (4) positions: two (2) Public Health Specialist I and two (2) Public Health Specialist II positions. Having pre-authorized Public Health Specialist I & II positions on the books will provide us with the flexibility to hire the most qualified candidates depending on the scope of the work to be performed.

Once again these positions would be limited-term, grant-funded positions and will not impact the general fund.

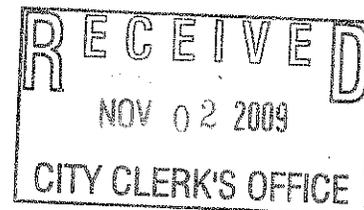
Thank you in advance for your consideration and I will be available at any time should the Committee have any questions.

Sincerely,

Timothy M. Soucy, MPH, REHS
Public Health Director

Cc: Jane Gile, Human Resources Director

Jane Gile
Human Resources Director



CITY OF MANCHESTER
Human Resources Department

November 2, 2009

TO: Board of Mayor and Aldermen
FROM: Jane E. Gile, Human Resources Director
SUBJECT: Indemnification of Reliance Trust Company

Acting upon the direction of the Human Resources and Insurance Committee to add a Self-Directed Brokerage Account Option (SDBA) to the Hartford 457 Deferred Compensation Plan, the Human Resources Director respectfully requests authorization to enter into a Trust Agreement with Reliance Trust Company.

The City of Manchester will designate Reliance Trust to serve as the trustee in connection with the SDBA established with Schwab. Schwab will designate the trustee as the holder of legal title to the assets of the SDBA. The trust is established solely for the benefit of participants and their beneficiaries.

By entering into the City of Manchester Plan Trust Agreement, the City of Manchester agrees to indemnify and hold Reliance Trust Company and its affiliates harmless from any and all actions, claims, demands, liabilities, losses, damages or reasonable expenses of whatsoever kind and nature in connection with or arising out of (i) any action taken or omitted in good faith by the Trustee, (ii) any disbursement made in accordance with the directions of the city, (iii) any action taken by or omitted in good faith by the trustee with respect to an investment managed by an Investment Manager in accordance with any direction of the Investment Manager or any inaction with respect to any such investment in the absence of directions from the Investment Manager.

Conversely, the City shall have no responsibility to the Trustee, if the Trustee fails intentionally or recklessly to perform any of the duties undertaken by it under the trust provisions.

Cc: Thomas Clark, City Solicitor



Bright Ideas! Program Policy
Employee Suggestion and Recognition

PURPOSE:

The purpose of this program is to reduce the cost of city government, reward active employees who assist in this reduction, and to recognize active employees for extraordinary services or performance in the interest of the city.

A formal evaluation process shall be established, with an evaluation committee to conduct and oversee the process and to make appropriate awards in recognition of outstanding contributions to city government. The program shall recognize suggestions that enhance the economy, efficiency or safety of city operations, or the performance of extraordinary services to the city.

EVALUATION COMMITTEE:

The Evaluation Committee shall consist of five members:

- The Human Resources Director;
- One non-affiliated employee appointed by the Mayor
- One affiliated employee appointed by the Mayor
- The Chairperson of the Quality Council or his/her designee
- One person who is not an employee or an elected official who shall be chosen by the other members of the Evaluation Committee

SUGGESTION AWARD:

A suggestion award may be granted when one or more employees submit in writing a proposal that directly contributes to improved economy, efficiency, effectiveness or safety of city operations. Suggestions that are under investigation by management or those previously suggested shall also not be eligible. If one or more suggestions for the same or similar proposal are submitted on the same day, the suggestions shall be combined and if accepted, the award shall be shared equally.

EXTRAORDINARY SERVICE AWARD:

An extraordinary service award may be granted to an employee for a onetime special act or when his or her work performance far exceeds the normal expectations of the position. Any proposals regarding a onetime special act shall be submitted to the evaluation committee for consideration of an award.



City of Manchester
Quality Council
Human Resources Department
One City Hall Plaza
Manchester, NH 03101



Bright Ideas! Program Policy page 2

PERFORMANCE BONUS

An employee may be given a performance bonus or a certificate of extraordinary performance. A performance bonus may be used to reward an employee's special efforts and high performance on projects or special assignments. A Department Head may recommend a cash bonus or certificate to recognize high performance which results in significant and documented cost reductions, savings or income to the City. It may be used to recognize unexpected, self-starting, extraordinary individual accomplishments in support of organizational performance effectiveness occurring out the boundaries of the expected performance of the employee's normal duties. The Department Head shall follow the same procedures that are outlined for granting all other awards by submitting his/her recommendation in writing to the Evaluation Committee.

DEPARTMENT REVIEW PANEL

To facilitate the conduct of the program, and to provide for the most knowledgeable consideration and review process, each department head may establish a Department Review Panel, consisting of not less than three (3) employees of the department. Such panels shall consist of at least one non-management employee. Department heads shall establish term limits and appointment and replacement procedures. The function of the panel shall be to assist the department head in the review of employee suggestions, when they are forwarded with the supervisor's recommendation.

In the absence of such a committee, it shall be the responsibility of the department head to review the suggestion and forward his or her recommendation to the Evaluation Committee. In either case, the department head shall forward his or her recommendation to the Evaluation Committee within 30 days of receipt of the suggestion. If more time is needed to review the suggestion, the department head shall provide written notice to the employee, with a copy to Human Resources and the Mayor. Included in the letter shall be a date that the Department Head intends to submit his/her letter.



City of Manchester
 Quality Council
 Human Resources Department
 One City Hall Plaza
 Manchester, NH 03101



Bright Ideas! Program Policy page 3

AWARD CRITERIA

The nature of the award shall be dependent upon the potential value of the suggestion to the city; the nature of the condition or problem which the suggestion purports to relieve or correct; and the originality and innovation demonstrated by the author of the suggestion.

Suggestions shall be evaluated under the following criteria. The amount of the award shall increase according to the number of categories the suggestion affects:

1. improved economy;
2. improved efficiency;
3. improved effectiveness and productivity; or
4. improved safety of operations.

In addition to the above, the evaluation committee shall consider the magnitude of the suggestion and shall determine the amount of the award according to whether the suggestion has a minimal, moderate or wide effect. A suggestion shall be considered minimal if it only affects a work unit within the department. A suggestion shall be considered moderate if it affects one or more departments. A suggestion shall be considered wide if it has a citywide effect on all departments. The scale of awards shall be according to the following chart, in which the maximum cumulative award shall be \$6,000:

	SCOPE OF SUGGESTION	MAGNITUDE OF SUGGESTION	SCALE	OF	AWARDS	AWARD AMOUNT
1.	Improved Economy	Minimal	\$500			\$500
		Moderate	\$500	\$500		\$1,000
		Wide	\$500	\$500	\$500	\$1,500
2.	Improved Efficiency	Minimal	\$500			\$500
		Moderate	\$500	\$500		\$1,000
		Wide	\$500	\$500	\$500	\$1,500
3.	Improved Effectiveness & Productivity	Minimal	\$500			\$500
		Moderate	\$500	\$500		\$1,000
		Wide	\$500	\$500	\$500	\$1,500
4.	Improved Safety of Operations	Minimal	\$500			\$500
		Moderate	\$500	\$500		\$1,000
		Wide	\$500	\$500	\$500	\$1,500



EXTRAORDINARY SERVICE

Criteria for awards of extraordinary services in the interest of the City shall be limited to those actions clearly beyond the normal duties and responsibilities of the City employee.

Extraordinary service may be related to the employee's primary duties, but the service shall far exceed that which could be expected of the employee involving (1) a sense of prevailing urgency or emergency, (2) personal risk to the employee's own safety and health, and (3) extraordinary competence or proficiency involving abilities demonstrated above and beyond those normally expected. The scale of awards for extraordinary service shall be according to the following chart in which the maximum cumulative award shall be \$1,000.

	EXTRAORDINARY SERVICE FACTORS	SCALE	OF 67%	AWARD 100%	AMOUNT OF AWARD
1.	SENSE OF URGENCY OR EMERGENCY PREVAILING	\$500			\$500
2.	PERSONAL RISKS INVOLVED	\$500	\$500		\$1,000
3.	ABILITIES DEMONSTRATED ABOVE AND BEYOND THOSE NORMALLY EXPECTED	\$500	\$500	\$500	\$1,500

FUNDING FOR AWARDS

When the Evaluation Committee determines that an award is warranted, the Committee shall forward their recommendation to the Board of Mayor and Aldermen. The Board of Mayor and Aldermen shall vote to either approve the award or deny the award. Upon approval of the Board, the employee shall receive his/her award at a regularly scheduled meeting of the Board of Mayor and Aldermen. Funding for all awards shall be taken from contingency funds unless the employee(s) making the suggestion or receiving the award works for a department that is funded by Enterprise Funds. In that instance, the award shall be paid by the applicable Enterprise Funded department.



City of Manchester
Quality Council
Human Resources Department
One City Hall Plaza
Manchester, NH 03101

BRIGHT IDEAS PROGRAM

PROCEDURES, TERMS AND CONDITIONS

Purpose:

The purpose of this program is to reduce the cost of city government, reward employees who assist in this reduction and to recognize employees for extraordinary services in the interest of the city.

Instructions:

1. Please type or print legibly the following information:
 - a. The way it is now: Identify and explain the present method, process and/or condition.
 - b. I (we) suggest that: Describe your idea for improvement and how it could be implemented. Attach additional information, sketches, charts or pictures to help explain and support your idea.
 - c. Advantages/benefits: Describe how your idea will save money or improve the quality of city services.

2. A. If your suggestion relates to your department:
 - (1) Submit your form and back-up information to your Department Head.
 - (2) Your Department Head will sign that he/she received your proposal and he/she will give you back three signed copies.
 - (3) Keep one copy, send one to Human Resources and one to the Mayor.
B. If your suggestion is for another department:
 - (1) Submit your form and back-up information directly to that Department Head.
 - (2) The Department Head will sign that he/she has received your proposal and he/she will give you back three copies.
 - (3) Keep one copy, send one to Human Resources and one to the Mayor.

3. Department Head Review:
 - A. The Department Head will review your suggestion and determine whether or not your idea is an original suggestion, not something that the department has

already been working on or had plans to work on, whether or not it is possible to implement and validate the proposal within thirty (30) days.

- B. If the Department Head needs more time, he/she shall notify you, Human Resources Director and the Mayor. He/she will tell you when he/she will have his/her evaluation completed.
- C. If you have concerns about the length of time it is taking or how your proposal is being handled, please contact the Human Resources Director at 624-6543.

Evaluation Procedure:

- A. The Evaluation Committee shall review all suggestions.
- B. If the Department Head adopts your suggestion, the Evaluation Committee shall evaluate your suggestions impact to determine if you are eligible for an award. The Evaluation Committee is solely responsible for determining the value of any award.
- C. If the Department Head does not adopt your suggestion, the Evaluation Committee shall review that decision. If the Evaluation Committee disagrees with the Department Head, your suggestion will be returned to that Department Head with recommendations to implement.
- D. The Evaluation Committee shall notify the employee in writing of it's decision with copies to the Human Resource Director and the Mayor.

Protection of Suggestions:

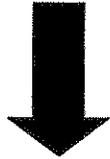
- A. Suggestions that are evaluated and not adopted are protected against identical submissions for a period of one year following the date of receipt of the suggestion by the Human Resources Director.
- B. At the conclusion of one year, the suggestion is no longer eligible for award consideration.
- C. You may resubmit your suggestion if you still feel it has value after the one year period if you believe it should be re-evaluated for implementation.

Note: When submitted to the City of Manchester, suggestions become the property of the City. Use by the City shall not form a basis for a claim against the City.

Bright Ideas! Program



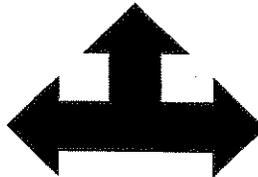
1. Employee submits Form to Department Head



If suggestion is for another dept. employee submits directly to that dept: gets signed copies from dept staff

2. Department Head signs and makes 3 copies:

Human Resources/Mayor



Employee

Within Ten (10) Days

3. Department head reviews and forwards his/her recommendation to Evaluation Committee



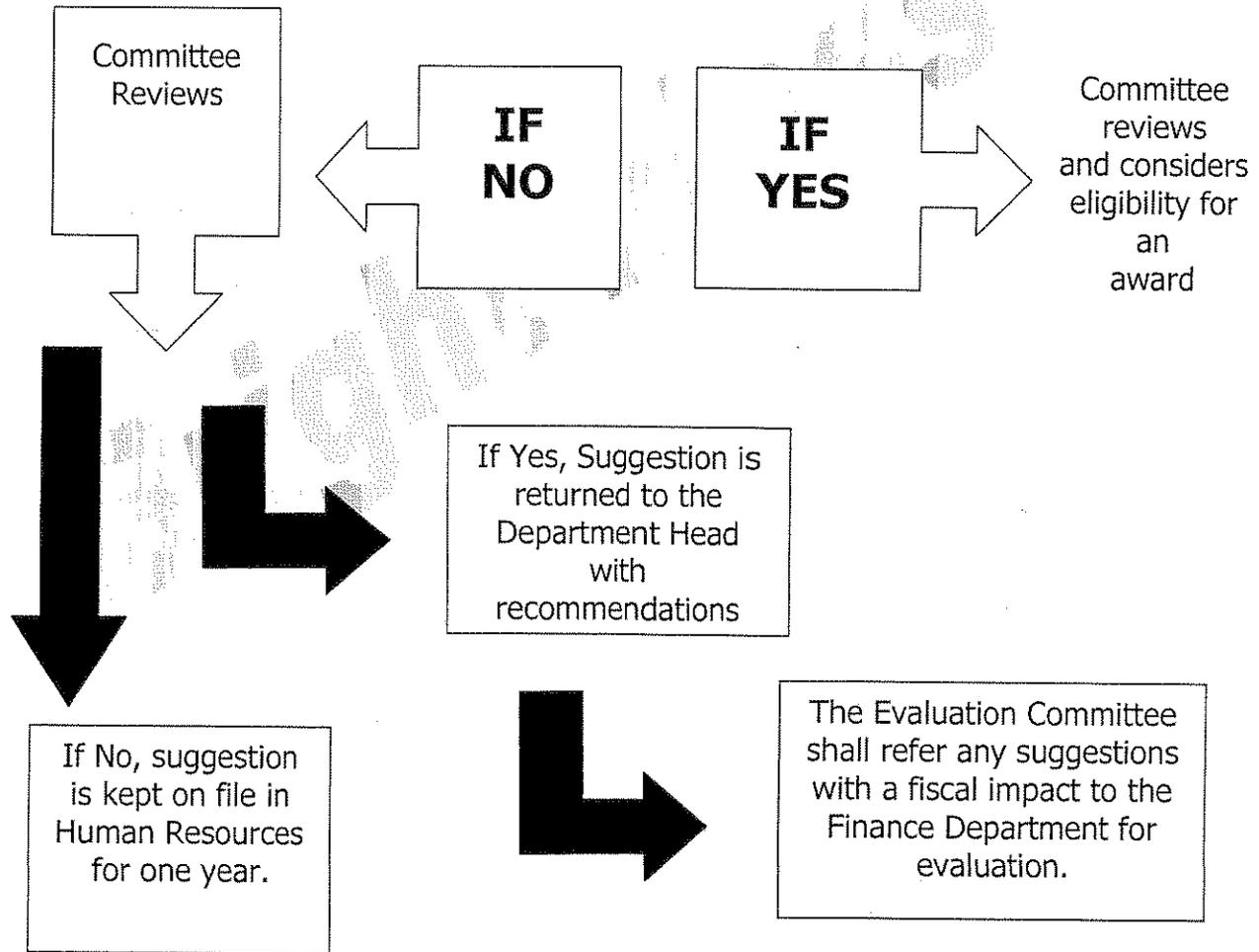
Within Thirty (30) Days

Bright Ideas! Program

page 2



4. Evaluation Committee reviews Department Head Recommendation



5. Evaluation Committee notifies employee in writing of final recommendation.

Freeman,Heather

From: Gile,Jane
Sent: Thursday, February 26, 2009 12:20 PM
To: Freeman,Heather
Cc: Mackie, Gene
Subject: RE: Committee on Human Resources/Insurance

By way of this email, I am contacting Gene Mackie, Chair of the Quality Council and a member of the Bright Ideas Committee. The Bright Ideas Committee, through the Quality Council, is still in the process of review. A few changes have already been made and approved by the HR committee. Process and procedure still are in the evaluative stage.

Gene – do you agree that the guidelines still require more time to develop? Perhaps we can set a target date for completion.

Jane

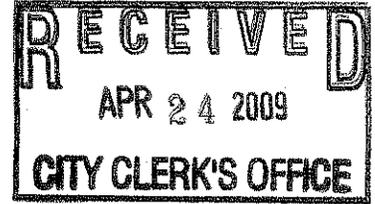
From: Freeman,Heather
Sent: Thursday, February 26, 2009 11:52 AM
To: Gile,Jane
Subject: Committee on Human Resources/Insurance

Jane,

Discussion relative to the guidelines for the Bright Ideas Evaluation Committee awards is on the table in the Committee on Human Resources/Insurance. The Committee has requested members of the Quality Council to appear before the Committee. Have you contacted the members or do you have contact information so that we may invite them? The next meeting, as you may know, is scheduled for Tuesday, March 3, 2009 at 4:00 PM.

Heather Freeman
Administrative Assistant III
Office of the City Clerk
T: (603) 624-6455 F: (603) 624 6481

Jane Gile
Human Resources Director



CITY OF MANCHESTER Human Resources Department

April 23, 2009

Alderman Ted Gatsas, Chair
Human Resources and Insurance Committee
City of Manchester
One City Hall Plaza
Manchester, NH 03101

RE: Bright Ideas Program

Dear Alderman Gatsas:

As requested, the Quality Council has reviewed the Bright Ideas! Program of the City of Manchester and submits the attached revisions.

The Quality Council has successfully streamlined the Bright Ideas! Program by focusing exclusively on employee suggestions that improve the quality of city services. The financial awards associated with the program have been amended to better reflect program goals.

The program previously served also as a recognition and reward program for either extraordinary service (one time special act) or for high performance in the workplace (cash bonus). These categories have been eliminated from the Bright Ideas Program as incongruent with its purpose. A separate city-wide recognition program will be developed later by the Quality Council to acknowledge outstanding employee performance/achievement.

Attached are the following revised documents:

- Bright Ideas! Program Policy
- Bright Ideas! Procedures, Terms and Conditions
- Bright Ideas! Application
- Bright Ideas! Flow Chart

Representatives from the Quality Council are available to answer any questions.

Respectfully submitted,


Jane E. Gile, SPHR
Human Resources Director



Bright Ideas! Program Policy Employee Suggestion and Recognition

PURPOSE:

The purpose of this program is to improve the quality of city services by recognizing active employees who propose suggestions that directly improve the efficiency and effectiveness of city operations and/or propose suggestions that significantly reduce safety risks in the workplace.

An award may be granted when one or more employees submit(s) in writing a proposal that directly contributes to improved economy, efficiency, effectiveness or safety of city operations. Suggestions that have been considered by management, or are under investigation by management, or those previously submitted to the Bright Ideas Program may not be eligible. If multiple suggestions for the same or similar proposal are submitted on the same day, the suggestions shall be combined and if accepted, the award shall be shared equally. Conversely, if two or more employees collectively submit a suggestion, the award is shared equally among the submitters. All monetary awards will be paid to the employee(s) through the City's payroll system.

EVALUATION COMMITTEE:

The evaluation committee reviews and evaluates Bright Ideas suggestions, oversees the program and makes recommendations for awards to the Board of Mayor and Aldermen.

The Evaluation Committee shall consist of five members:

- The Human Resources Director;
- One non-affiliated employee appointed by the Mayor
- One affiliated employee appointed by the Mayor
- The Chairperson of the Quality Council or his/her designee
- One person who is not an employee, former employee or an elected official who shall be chosen by the other members of the Evaluation Committee



AWARD CRITERIA

The nature of the award shall be dependent upon the potential value of the suggestion to the city; the nature of the condition or problem which the suggestion purports to relieve or correct; and the originality and innovation demonstrated by the author of the suggestion.

Suggestions shall be evaluated under the following criteria. The amount of the award shall increase according to the number of categories the suggestion affects:

1. Improved efficiency and effectiveness;
2. Improved safety of operations.

In addition to the above, the evaluation committee shall consider the magnitude of the suggestion and shall determine the amount of the award according to whether the suggestion has impact on a division/work unit, 1 or more city departments, or impacts all city departments. A suggestion shall be considered minimal if it only affects a division/work unit within a department. A suggestion shall be considered moderate if it affects 1 or more departments. A suggestion shall be considered wide if it has a citywide effect on all departments. The scale of awards shall be according to the following chart, in which the maximum cumulative award shall be \$3,000 (before taxes):

	SCOPE OF SUGGESTION	MAGNITUDE OF SUGGESTION	AWARD AMOUNT
1.	Improved Efficiency and Effectiveness		
	Division/Work unit	Minimal	\$500
	1 or more departments	Moderate	\$1,000
	City-wide	Wide	\$1,500
2.	Improved Safety of Operations		
	Division/Work unit	Minimal	\$500
	1 or more departments	Moderate	\$1,000
	City-wide	Wide	\$1,500

FUNDING FOR AWARDS

When the Evaluation Committee determines that an award is warranted, the Committee shall forward its recommendation to the Board of Mayor and Aldermen. The Board of Mayor and Aldermen shall vote to either approve the award or deny the award. Upon approval of the Board, the employee shall receive his/her award at a regularly scheduled meeting of the Board of Mayor and Aldermen. Funding for all awards shall be taken from contingency funds unless the employee(s) making the suggestion or receiving the award works for a department that is funded by Enterprise Funds. In that instance, the award shall be paid by the applicable Enterprise Funded department.

BRIGHT IDEAS PROGRAM

PROCEDURES, TERMS AND CONDITIONS

Purpose:

The purpose of this program is to improve the quality of city services by recognizing active employees who propose suggestions that directly improve the efficiency and effectiveness of city operations and/or contribute suggestions that reduce safety risks in the workplace.

Instructions:

1. Please type or print legibly the following information:
 - a. The way it is now: Identify and explain the present method, process and/or condition.
 - b. I (we) suggest that: Describe your idea for improvement and how it could be implemented. Attach additional information, sketches, charts or pictures to help explain and support your idea.
 - c. Advantages/benefits: Describe how your idea will improve efficiency and effectiveness and/or improve safety of operations.
2. Process for submitting a suggestion:
 - (1) Complete the Bright Ideas suggestion form found on the City's G-Drive in the HRD folder.
 - (2) Submit your suggestion form and back-up information to the Human Resources Department.
 - (3) The Human Resources Director will sign and date that he/she received your proposal, make copies and he/she will give you one signed and dated copy.
 - (4) HR will forward individual copies (without the signature page) to applicable Department Head(s), to the Mayor and will retain one copy.
3. Department Head Review:
 - A. The Human Resources Director will submit anonymously your suggestion to the Department Head(s) who will review your suggestion and determine whether or not your idea is an original suggestion, is something that the department has already been working on or had plans to work on, and whether or not it is possible to evaluate the proposal within thirty (30) days.
 - B. If the Department Head(s) needs more time to evaluate the proposal, he/she shall notify the Human Resources Director and the Mayor. He/she will tell you when he/she will have his/her evaluation completed.

Evaluation Procedure:

- A. The Evaluation Committee shall review all suggestions and convene a meeting within 30 days of receipt of the Department Head(s) response.
- B. The Evaluation Committee shall evaluate your suggestion's impact to determine if you are eligible for an award. The Evaluation Committee is solely responsible for recommending the value of any award.
- C. The Evaluation Committee shall notify the employee in writing of its decision with copies to the Human Resource Director and the Mayor.

Protection of Suggestions:

- A. Suggestions that are evaluated and denied an award are protected against identical submissions for a period of three years following the date of denial.
- B. At the conclusion of three years, the suggestion is no longer eligible for award consideration.

Resubmission of Suggestions:

- A. You may resubmit your suggestion after one year if you still feel it has value and should be re-evaluated for implementation.
- B. If the suggestion was denied originally for specific reasons, prior to re-submitting the idea, the reasons for denial need to be addressed and clarified.

Note: When submitted to the City of Manchester, suggestions become the property of the City. Use by the City shall not form a basis for a claim against the City.

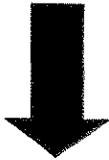
Bright Ideas! Program Flowchart



1. Employee submits Bright Ideas Suggestion form and applicable supporting documentation to the Human Resources Director.



2. Within Ten (10) Days - the proposal is forwarded by the Human Resources Director to:



The Mayor & applicable Department Head(s)

3. Department Head(s) review(s) and forward(s) recommendation(s) to Human Resources Director within 30 days. Department Head(s) may request a time extension to fully evaluate the suggestion.



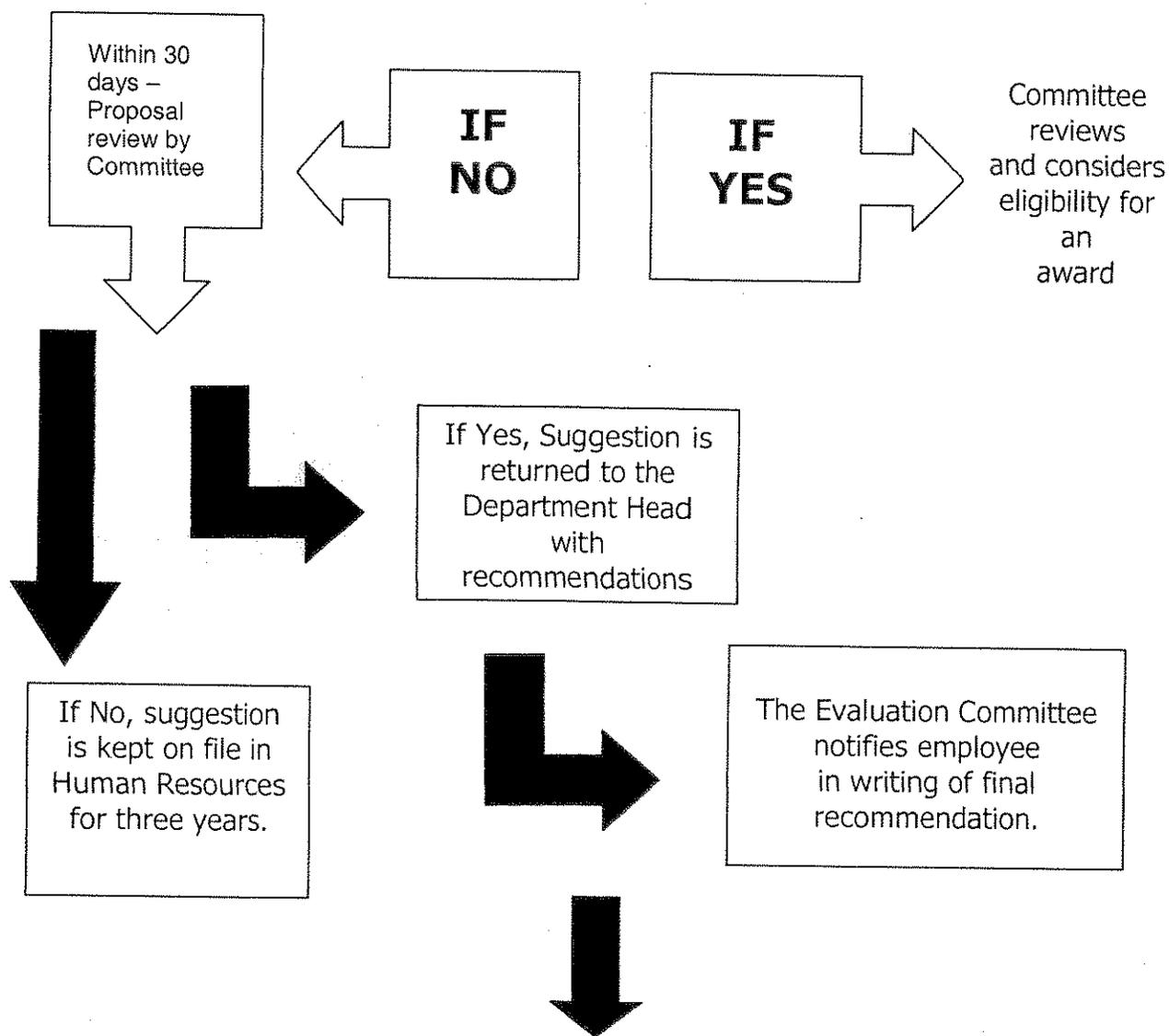
4. Human Resources Director forwards suggestion with applicable Department Head(s) recommendations to the Bright Ideas Evaluation Committee and schedules Committee meeting.



Bright Ideas! Program Flowchart

Page 2

5. Evaluation Committee reviews Proposal and Department(s) recommendation(s)



6. Recommendation for financial award is submitted to the Board of Mayor of Aldermen for final approval.

Bright Ideas! Application



The way it is now:



I (we) suggest that: (attach additional sheets if necessary)

Advantages/benefits:

I (we) believe my (our) idea will:

- improve efficiency and effectiveness
- improve safety

Department Head Review:

Name: _____ Date: _____

Signature: _____

Determination: Adopt Not Adopt Comments attached: Yes No

Bright Ideas! Application



Name: _____		Date: _____
Dept.: _____		Phone: _____
Signature: _____		
Your signature indicates agreement with the terms and conditions of the Bright Ideas Program. Attach additional names if necessary.		
Evaluation Committee:		
Review and Recommendation: (only when departments do not adopt)		
<input type="checkbox"/> Adopt <input type="checkbox"/> Not Adopt		
Committee Representative:	Award Amount:	Date Awarded:

9-19

Jane Gile
Human Resources Director



CITY OF MANCHESTER Human Resources Department

September 25, 2009

Alderman Ted Gatsas, Chair
Human Resources and Insurance Committee
City of Manchester
One City Hall Plaza
Manchester, NH 03101

RE: Mesirow Financial Investment Management, Inc.

Dear Alderman Gatsas:

The City of Manchester offers an optional 457 retirement plan to its employees. It is a voluntary program whereby employees, through payroll deductions, contribute to a deferred compensation plan offered through The Hartford. The City does not contribute to the plan.

However, the City, as the plan sponsor, has a fiduciary responsibility for the investment options offered by The Hartford. With such diverse investment options from which to select, it has been determined that it makes good sense for the City to partner with Mesirow Financial Investment Management, Inc. The partnership with Mesirow, without additional cost to the City, provides independent professional guidance with asset allocation and fund selection by providing both qualitative and quantitative analysis. The expert resources available through Mesirow will assist the City greatly in making well-informed decisions relative to fund selection options/opportunities. Mesirow will also act as co-fiduciary on their investment recommendations.

Attached is a document that explains the fiduciary partnership program as well as the Advisory Services Agreement. The latter has been reviewed by the City Solicitor. The agreement calls for the plan sponsor to indemnify Mesirow. Only the BMA has the authority to grant indemnification. Therefore, authorization to enter into this agreement with Mesirow is required.

Sincerely,

Jane E. Gile, SPHR
Human Resources Director

1 City Hall Plaza • Human Resources Department • Manchester, New Hampshire 03101 • (603) 624-6543 •

FAX: (603) 628-6065

E-mail: HumanResources@ManchesterNH.gov • Website: www.manchesternh.gov

FIDUCIARY PARTNERSHIP PROGRAM

As a plan sponsor your goal is to implement a sound retirement program that offers your employees security, diversification and potential for growth. But with so many investment options to choose from, this task can be overwhelming. Your plan provider offers a strong foundation of diverse investment selections, yet without the tools and resources to adequately evaluate funds, you may be ill prepared to select the investments most appropriate for your participants.

Mesirow Financial Investment Strategies partners with you to develop an investment line up that enables plan participants to build prudent investment portfolios. With extensive market knowledge and cutting-edge analysis we provide professional guidance in creating your 401(k) program, including:

- Assistance with investment selection
- Fiduciary partnership relating to the investments selected for your program
- Quarterly investment monitoring and reporting
- Security in knowing that an independent, unbiased, third party is overseeing the fund selection for your retirement program

Fiduciary Partnership

Your role as a plan sponsor comes with a heavy burden of accountability for the investment options you offer to participants. As experts in fund selection and asset allocation we are confident in our recommendations and agree to share fiduciary responsibility with you with respect to the investment selections on the Mesirow Financial Elite List.

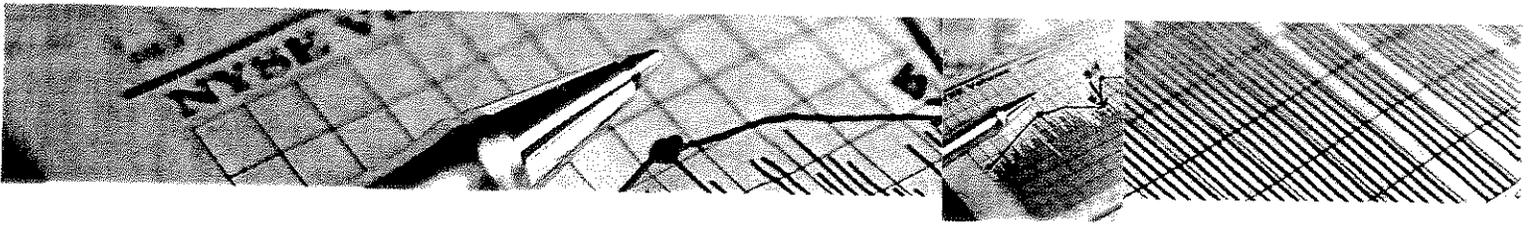
Innovative Asset Allocation and Fund Selection Methodology

We narrow the playing field by providing you with a manageable subset of investment options to choose from. Our methodology centers on selecting funds that can enhance performance while staying true to the investment strategy and asset allocation policy. We consider both style-pure and multi-style managers in our analysis, thereby expanding the spectrum of funds available to participants. Using a unique blend of quantitative and qualitative analysis, it is our goal to measure manager performance and determine their forecasted potential for excess returns.

Step-by Step Process

- Analyze the funds that comprise the universe of available investment options from your plan provider
- Apply quantitative analysis to classify funds into peer groups to identify those that have consistent style and can add excess return while controlling excess risk
- Determine preliminary list of selected funds categorized by asset class
- Perform qualitative review of fund managers using detailed questionnaires, manager interviews and holdings analysis
- Develop Mesirow Financial's Elite List, consisting of pre-selected investment options for your plan

*With extensive
market
knowledge and
cutting-edge
analysis
we provide
professional
guidance in
creating your
401(k)
program...*



Quarterly Reporting and Monitoring

Mesirow Financial provides the monitoring and reporting services necessary to keep you apprised about the investment options offered to your plan participants.

Through our partnership, you will receive extensive resources to assist in maintaining and monitoring your retirement program. Our detailed Quarterly Report includes:

- An updated Elite List with the recommended funds and a report outlining any changes to the recommended fund from previous quarters
- Market commentary on the previous quarter
- Performance summaries of all Elite Funds
- Individual fund statistics and select holdings information
- Outstanding issues on both a qualitative and quantitative basis on any funds on the Elite List

Recognized Industry Leaders

With 85 years of collective experience in the investment industry, our team has earned a reputation for integrity, service and performance among those in the asset allocation arena. In addition, we are supported by the comprehensive institutional investment management expertise of Mesirow Financial. From equities and fixed income to private equity, hedge funds and currency management, the firm is continually at the forefront in creating innovative and effective investment solutions for institutions all over the world.

About Mesirow Financial

Mesirow Financial is a diversified financial services firm headquartered in Chicago. Founded in 1937, we are an independent employee-owned firm with offices across the country. With expertise in Investment Management, Investment Services, Insurance Services, Investment Banking, Consulting and Real Estate, Mesirow Financial has consistently met the financial needs of institutions, public sector entities, corporations and individuals. This year marks Mesirow Financial's 70th anniversary. For more information about Mesirow Financial, visit our Web site at www.mesirowfinancial.com.

Investment Strategies Division

Mesirow Financial Investment Strategies is a division of Mesirow Financial Investment Management, Inc., an SEC registered investment advisor. The group provides proprietary asset allocation research, sub-advisory services, fund selection, investment strategy and consulting capabilities for institutional investors such as insurance companies, mutual fund complexes, broker/dealers, and 401(k) plan sponsors. Our team has more than 85 years of combined industry experience and maintains a proven history of delivering cutting-edge quantitative analysis and portfolio modeling services to a breadth of clients.

For Further Information

about our capabilities,
please contact:

Mark Kowalczyk
MANAGING DIRECTOR

Telephone: 312-595-7280
mkowalczyk@mesirowfinancial.com

Brian Nash
VICE PRESIDENT

Telephone: 312-595-7283
bnash@mesirowfinancial.com

Jonathon Dues
REGIONAL MANAGER

Telephone: 312-595-7284
jdues@mesirowfinancial.com

Securities offered through Mesirow Financial, Inc. Member NYSE, SIPC
Insurance services offered through Mesirow Insurance Services, Inc.
* Interim Management services provided by Mesirow Financial Interim Management, LLC

350 North Clark Street • Chicago, IL 60610 • 312-595-6000 • www.mesirowfinancial.com

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10-3

Mesirow Financial Investment Management, Inc
Advisory Services Agreement
-City of Manchester-

This Advisory Services Agreement (“**Agreement**”), which is made and entered into as of the date identified on Exhibit A (“**Effective Date**”), by and between Mesirow Financial Investment Management, Inc., an Illinois corporation (“**MFIM**”), and the Plan Sponsor identified on Exhibit A (“**Plan Sponsor**”).

BACKGROUND

The Plan Sponsor is the named fiduciary (as defined in Section 402(a)(2) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) or, if the Plan is not subject to ERISA, as otherwise defined or designated under the terms of the Plan’s governing documents) with respect to the employee benefit plan identified on Exhibit A (“**Plan**”) with the fiduciary authority and responsibility under the Plan for selecting and monitoring the investment funds to be offered under the Plan to Plan participants and beneficiaries (“**Participants**”). By separate agreement (“**Service Agreement**”), the Plan Sponsor has engaged Hartford Life Insurance Company (“**Service Provider**”) to provide recordkeeping and other administrative services with respect to the Plan.

The Plan Sponsor has determined that it is in the best interest of the Plan and its Participants to retain MFIM to provide advisory services to assist the Plan Sponsor in monitoring and/or selecting the investment options offered under the Plan. MFIM is willing to perform the advisory services provided under the terms of this Agreement.

Based on the foregoing, the Plan Sponsor and MFIM agree as follows:

SECTION 1. SERVICES PROVIDED BY MFIM

On the terms and conditions set forth in this Agreement, the Plan Sponsor hereby engages MFIM to assist the Plan Sponsor in the discharge of the Plan Sponsor’s duties with respect to the monitoring and/or selection of investment options under the Plan by providing the services described in this Agreement (the “**Services**”). MFIM shall provide the Plan Sponsor with the following Services:

A. Investment Option Qualification

Pursuant to an agreement between the Service Provider and MFIM, MFIM will review the investment options currently offered by the Plan Sponsor as listed in Exhibit B and outline the options that meet MFIM’s minimum investment criteria (the “**Qualified Investment List**”). Investment options currently offered by the Plan Sponsor that do not meet MFIM’s minimum investment criteria are not included in the Qualified Investment List. The Plan Sponsor understands and acknowledges that; (i) the initial review of the

options offered in the plan is limited to the asset classes and investment options currently offered in the plan as supplied to MFIM by the Service Provider, and (ii) the choice of appropriate asset classes and investment options for the Plan and its Participants are determined by the Plan Sponsor. Any changes, additions or deletions, to the investment options offered by the Plan Sponsor may be considered for inclusion on the Qualified Investment List provided that they meet MFIM's minimum investment criteria and are agreed to in writing by the parties.

Investment Option Qualification Guidelines

The Plan Sponsor agrees that it will offer investment options from and maintain investment options in each of the five Core Asset Classes outlined in Exhibit B; if the Plan Sponsor fails to do so, then this Agreement will terminate immediately, notwithstanding any provision of this Agreement to the contrary. If the Plan Sponsor does not offer at least one investment option in each of the five Core Asset Classes in the current line up, recommendations for the missing asset class(es) will be made by Mesirow Financial from the investment options available to the Plan through the Service Provider's standard plan recordkeeping platform.

B. Investment Option Monitoring and Summaries

MFIM will review the performance of the investment funds on the Qualified Investment List on a quarterly basis. Following the end of each calendar quarter, MFIM shall provide the Service Provider for distribution to the Plan Sponsor its quarterly review. The quarterly review will contain MFIM's market commentary on the previous quarter and a review of the funds on the Qualified Investment List that are in the P.O.L.I.C.E. Report (**P**erformance, **O**rganization, **L**egal, **I**nterest Policy, **C**onsistent Style, **E**xpense). The Service Provider has agreed to provide each MFIM quarterly review to the Plan Sponsor within 90 days after the end of the quarter.

C. Termination of Investment Options

If for any reason MFIM should find it necessary to suggest removing an investment option from the Qualified Investment List, MFIM will issue a written report outlining its reasons for suggested removal of the investment option and the actions being taken for replacement including reasons for selecting the replacement if a suitable replacement fund is available. MFIM shall provide such written report to the Service Provider to send to the Plan Sponsor. MFIM will continue to monitor any fund removed from the Qualified Investment List for a 90-day period following the removal of the fund; after that 90-day period, the Plan Sponsor agrees that MFIM will have no obligation to continue monitoring the removed fund. If the Plan Sponsor determines that it will remove an investment option from the Plan, or add an investment option to the Plan, the Plan Sponsor understands that it must provide written direction and instructions to the Service Provider to

implement such change in the Plan's investment options and for consideration for inclusion in the Qualified Investment List.

D. Investment Policy Statement

MFIM will provide Plan Sponsor with an investment policy statement ("Investment Policy Statement") for the Plan. Plan Sponsor will provide MFIM with the necessary information to complete the Investment Policy Statement.

MFIM's authority and responsibility with respect to the Plan are as follows:

E. MFIM's Fiduciary Status. In performing the Services, MFIM is acting as a fiduciary as defined in Section 3(21)(A)(ii) of ERISA or, if the Plan is not subject to Title I of ERISA, MFIM is acting as a fiduciary to the Plan according to the same standards as would be applicable if the Plan were subject to Title I of ERISA. MFIM shall discharge its duties and obligations hereunder in accordance with the standard of care applicable under ERISA regardless of whether the Plan is subject to Title I of ERISA. In addition, if the Plan is not subject to Title I of ERISA, the parties agree that, for all purposes under this Agreement, the applicable ERISA standard of care (including relevant governmental regulations and judicial precedent) shall be the sole governing standard of care applicable to MFIM and the Services regardless of any state law that may apply to the Plan or the Plan Sponsor. MFIM will assume only the specific and limited fiduciary responsibility and liability attendant to the Services as set forth in this Agreement and will not be considered a fiduciary of the Plan for any other purpose.

F. Qualifying for the Qualified Investment List. The Plan Sponsor understands and agrees that MFIM's responsibility and authority for the Qualified Investment List are limited to the asset classes and investment options available to the Plan through the Service Provider's standard plan recordkeeping platform, and MFIM is under no obligation, and has no authority under this Agreement or otherwise, to select other asset classes or investment options for inclusion in the Qualified Investment List. In determining qualification for inclusion in the Qualified Investment List, MFIM will not consider any investment in stock or other property of the Plan Sponsor or its affiliates, other individual securities, self-directed brokerage accounts or investments other than mutual funds or other collective fund vehicles offered through the Service Provider's standard plan recordkeeping platform.

G. Scope of Authority. MFIM has no authority or responsibility with respect to: (a) the selection, monitoring, retention, or termination of asset classes or investment options available through the Service Provider's plan administration platform; (b) the management (except for the Services),

administration, valuation, or custody of Plan assets; (c) the administration of the Plan and the trust funding such Plan; (d) any investment decision of any nature whatsoever of the Plan Sponsor, another investment manager, Participant or other person with respect to the Plan or any account there under; (e) the performance of any other investment manager; (f) the failure of any other investment manager or fund manager to adhere to any of its policies and procedures governing investments; (g) any change in value in any or all of the Plan's assets; (h) any suitability determination, except any such determination related to the qualification of investment options for inclusion in the Qualified Investment List; (i) any matters related to the fees charged to the Plan or the Participants for the use of the Qualified Investment List; and (j) except for the qualification of investment options for inclusion in the Qualified Investment List, the diversification of the Plan's assets. The foregoing matters are solely the responsibility of the Plan Sponsor or its agents (other than MFIM).

- H. **Control of Qualified Investment List.** MFIM will retain exclusive control and discretion with regard to the development and maintenance of the Qualified Investment List. MFIM will retain sole control and discretion over the development of any investment methodologies needed to develop and maintain the Qualified Investment List. All decisions regarding the composition of the Qualified Investment List will be solely the responsibility of MFIM based on the investment funds available to the Client Plans through the Service Provider's recordkeeping system. MFIM will determine the Qualified Investment List through proprietary methodologies based on generally accepted investment principles. The investment methodologies used by MFIM in developing and maintaining the Qualified Investment List will be developed by MFIM independently and without regard to any potential benefit to the Service Provider, any other issuer of investment options available to the Plan or their affiliates. MFIM will update and maintain any systems within a reasonable timeframe to ensure that they continue to meet generally accepted investment principles. The Service Provider will assist in communications between MFIM and Plan Fiduciaries but will not in any way influence or otherwise be responsible for the development of the Qualified Investment List by MFIM and will not modify any advice or information provided by MFIM.
- I. **Results Not Guaranteed.** MFIM and its affiliates do not and cannot warrant the results that may be attained from the use of the Qualified Investment List by the Plan Sponsor. Nothing in this Agreement will be construed as making MFIM an insurer or guarantor of any benefit or result, financial or otherwise, as a result of the provision of the Qualified Investment List.

SECTION 2. FEES AND PAYMENT OF FEES

Fees. The fees for the Services of MFIM under this Agreement are incorporated in the bundled fee payable to the Service Provider, and neither the Plan nor the Plan Sponsor will have any liability for additional fees payable to MFIM in respect of this Agreement.

In general, the fees payable to MFIM by the Service Provider or its affiliates are calculated as a basis point percentage of the Plan's asset value and may range from 0.5 basis points up to 2.50 basis points depending on the total assets from plans executing a contract for the MFIM Plan Fiduciary Service. The Plan Sponsor may request additional information about the fees paid to MFIM by the Service Provider or its affiliates relating to the Plan in writing or by use of the Service Provider's toll-free number.

SECTION 3. TERM AND TERMINATION

Term. Unless otherwise terminated as described in this Section 3, this Agreement shall be for a term of one (1) year (the "Initial Term"), effective as of the first date assets are invested in funds offered by the Service Provider following the date set forth on the signature page of the Agreement, and shall be automatically renewed for additional one (1) year periods, unless either party shall deliver to the other party a written notice of non-renewal at least thirty (30) business days prior to the date such renewal would take effect.

Termination. Upon completion of the initial term, either party may terminate this Agreement, without reason, by providing the other party with thirty (30) business days' prior written notice.

The termination of this Agreement shall have no effect on any Service Agreement between the Plan Sponsor and the Service Provider. However, if such Service Agreement between the Plan Sponsor and the Service Provider terminates, then this Agreement shall also terminate.

SECTION 4. LIMITATION OF LIABILITY AND INDEMNIFICATION

Limitation of Liability. MFIM MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MFIM HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. FURTHERMORE, MFIM'S LIABILITY FOR ANY DAMAGES HEREUNDER SHALL NOT EXCEED AN AMOUNT EQUAL TO TWO (2) TIMES THE TOTAL ANNUAL FEE PAID TO MFIM PURSUANT TO THIS AGREEMENT FOR THE CALENDAR YEAR IMMEDIATELY PRECEDING THE RELEVANT CLAIM (OR, IF THE RELEVANT CLAIM ARISES IN THE FIRST YEAR OF THE AGREEMENT, FOR THE FIRST YEAR). THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

Acts of Others. Except as provided by ERISA and this Agreement, MFIM will not be liable for the acts or omissions of any other person in respect of the Plan and its Participants, including, but not limited to, any acts or omissions of the Plan Sponsor or the Service Provider.

Force Majeure. Neither party shall be in default or otherwise liable for any delay in or failure of its performance under this Agreement where such delay or failure arises by reason of any act of God, or any government or any governmental body, acts of the common enemy, the elements, strikes or labor disputes, or other similar or dissimilar cause beyond the control of such party.

Indemnity by the Plan Sponsor. The Plan Sponsor will indemnify, defend and hold MFIM and its affiliates, members, directors, officers, shareholders, employees, representatives, agents, attorneys, successors and assigns (collectively, the “**Mesirow Indemnified Parties**”) harmless from and against any and all claims, liabilities, obligations, judgments, causes of action, costs and expenses (including reasonable attorneys’ fees) arising from, out of or related to the Services or the Mesirow Indemnified Parties’ performance hereunder; provided, however, that the Plan Sponsor will not be liable to indemnify, defend and hold any Mesirow Indemnified Party harmless to the extent such liabilities, obligations, judgments, causes of action, costs and expenses were caused by a material breach of such Mesirow Indemnified Parties’ duties hereunder or the willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of such Mesirow Indemnified Parties.

Indemnity by MFIM. MFIM will indemnify, defend and hold the Plan Sponsor and its affiliates, members, directors, officers, shareholders, employees, representatives, agents, attorneys, successors and assigns (collectively, the “**Plan Sponsor Indemnified Parties**”) harmless from and against any and all claims, liabilities, obligations, judgments, causes of action, costs and expenses (including reasonable attorneys’ fees) arising from, out of or related to a breach by MFIM of its duties in connection with the performance of Services hereunder; provided, however, that MFIM will not be liable to indemnify, defend and hold any Plan Sponsor Indemnified Party harmless to the extent such liabilities, obligations, judgments, causes of action, costs and expenses were caused by a material breach of such Plan Sponsor Indemnified Parties’ duties or the willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of such Plan Sponsor Indemnified Parties.

SECTION 5. GENERAL PROVISIONS

- A. **Form ADV.** MFIM is registered as an investment adviser under applicable federal law. Part II of MFIM’s Form ADV contains additional information regarding MFIM and its services. A copy of MFIM’s Form ADV Part II has been distributed to the Service Provider and the Service Provider has agreed to deliver this document to the Plan Sponsor prior to signature of this Agreement. The Plan Sponsor’s signature hereunder acknowledges receipt of MFIM’s Form ADV Part II.
- B. **Dispute Resolution.** Except in the event that injunctive relief is being sought, any dispute arising out of or related to the Agreement that is not settled promptly in the ordinary course of business or through senior management

negotiations, shall be resolved through mandatory binding arbitration consistent with the terms of Paragraph C in this Section 5.

- C. **Binding Arbitration.** Except in the event that injunctive relief is being sought, any controversy or claim arising out of or relating to the Agreement for the breach hereof which cannot be settled by the parties pursuant to Paragraph B in this Section 5, shall be settled by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association (“AAA”) as set forth herein. The parties shall endeavor to appoint a single arbitrator, and failing that, each party may select an arbitrator with knowledge of the types of Services provided for under this Agreement. Selection shall be completed within twenty (20) days of the receipt of a demand for arbitration. If either party fails to select an arbitrator within such twenty (20) day period, the one selected shall act as sole arbitrator. If two arbitrators have been selected, the two arbitrators selected shall select a third within fifteen (15) days after their selection. If they fail to do so, the third arbitrator shall be selected by the AAA. The arbitrators shall set a date of hearing no later than sixty (60) days from the date all arbitrators have been selected and shall enter a decision within thirty (30) day of the end of the proceeding. The arbitration proceeding shall take place in Chicago, Illinois. The award of any arbitration shall be final, conclusive, and binding on the parties hereto. The arbitrators may award any legal or equitable remedy. The arbitration award shall include an award of reasonable attorneys’ fees to the prevailing party. Judgment upon any arbitration award may be entered and enforced in any court of competent jurisdiction.
- D. **Captions Not Determinative.** Titles and section headings herein are for convenient reference only and are not part of this Agreement.
- E. **Independent Contractors.** MFIM and the Plan Sponsor are independent contractors to one another. Nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship between both parties.
- F. **Notice.** All notices, including notices of address changes, required to be sent hereunder shall be in writing and shall be deemed to have been given when mailed by registered or certified mail, postage prepaid to the appropriate address below:

With respect to any service or process or legal notice:

Mesirow Financial Investment Management, Inc.
350 N. Clark Street
Chicago, IL 60610
Attn: Investment Strategies Group

Including a copy to MFIM General Counsel at:

Mesirow Financial
321 N. Clark Street

Chicago, IL 60610
ATTN: General Counsel

With respect to address changes, customer service, and notice of termination:
Regular Mail

Hartford Life
Retirement Plans Group
P.O. Box 1583
Hartford, CT 06101-8913

With respect to notice to the Plan Sponsor:

The address and individual identified in the Exhibit A.

- G. **Severability.** In the event that any provision of this Agreement is held invalid by a court with jurisdiction over the parties, such provision shall be deemed to be restated to be enforceable, in a manner which reflects, as nearly as possible, the intent, and economic effect of the invalid provision in accordance with applicable law. The remainder of this Agreement shall remain in full force and effect.
- H. **Waiver.** The waiver by either party of any default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach.
- I. **Modification.** No representation or promise hereafter made, nor any modification or amendment of this Agreement shall be binding unless in writing and executed by duly authorized agents of both parties.
- J. **Counterparts.** This Agreement must be executed with the signature of the Plan Sponsor and MFIM and shall be deemed binding for all purposes hereof. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all counterparts, together, constitute only one Agreement.
- K. **Assignment.** Neither party may assign this Agreement nor any of the rights or obligations granted hereunder without the other party's prior written consent.
- L. **Governing Law.** This Agreement shall be governed by and construed in accordance with ERISA and to the extent not preempted by ERISA, in accordance with the laws of the State of Illinois, without reference to its conflicts of law principles. ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, INCLUDING ARBITRATION PROCEEDINGS, SHALL BE SO GOVERNED AND SHALL BE INSTITUTED IN COOK COUNTY, ILLINOIS, U.S.A. THE PARTIES HEREBY AGREE TO SUBMIT TO THE JURISDICTION OF, AND AGREE THAT VENUE IS PROPER IN COOK COUNTY, ILLINOIS FOR ANY ACTION OR PROCEEDING.

- M. **Survival.** The terms of Section 2, Fees and Payment of Fees; Section 3, Term and Termination; Section 4, Limitation of Liability and Indemnification; and Section 5, General Provisions shall survive the expiration or termination of this Agreement.
- N. **Authority.** The person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.
- O. **Entire Agreement.** Any Exhibit to this Agreement is hereby incorporated into and forms a part of this Agreement. This Agreement, and any Exhibit hereto, constitutes the complete agreement between the parties and supersedes all previous or contemporaneous agreements, proposals, marketing materials, understandings, and representations, written or oral, with respect to the subject matter addressed herein. The "Background" included at the beginning of this Agreement are hereby incorporated into this Agreement by this reference thereto.
- P. **Limitation.** Nothing in this Agreement shall limit any rights the Plan Sponsor may have under applicable securities laws.

SECTION 6. ACKNOWLEDGEMENT, ACCEPTANCE AND AGREEMENTS

Notwithstanding the Services provided under this Agreement, the Plan Sponsor acknowledges, understands, and agrees that:

- A. MFIM has not provided assistance or exercised any discretion or authority, and will not provide assistance or exercise any discretion or authority, with respect to the Plan Sponsor's selection of Hartford Life Insurance Company as the Service Provider or the investment options made available by the Service Provider.
- B. MFIM is responsible only for providing the Plan Sponsor with the Services specifically set forth in this Agreement and not any other services.
- C. MFIM has no authority or responsibility with respect to: (i) the implementation of the Qualified Investment List by the Plan Sponsor; (ii) the Service Provider's selection, monitoring, retention, or termination of asset classes or investment options available through the Service Provider's plan recordkeeping system; (iii) the management, administration, valuation, monitoring (except for MFIM's monitoring of investment options offered by the Service Provider on its plan recordkeeping service for purposes of determining the funds on the Qualified Investment List), or custody of assets of the Plan; (iv) the execution of any transactions involving Plan assets; (v) the allocation of Plan assets among investment options; (vi) any investment decision of any nature whatsoever of the Plan Sponsor, investment manager, or other person with respect to the Plan; (vii) the performance of any investment manager; (viii) the failure of any investment manager to adhere to any of its policies and procedures governing investments; (ix) any change in value in any or all of the Plan's assets; or (x) any suitability determinations.

- D. Neither MFIM nor the Service Provider shall have any discretionary authority for the selection of the funds offered under the Plan, and the Plan Sponsor shall retain all discretionary authority for determining the Plan's investment options.
- E. The Plan Sponsor shall maintain, at a minimum, an investment option from and in each of the five Core Asset Classes outlined in Exhibit B or this Agreement shall terminate immediately in accordance with Section 1.
- F. It is solely the responsibility of the Plan Sponsor to select and retain the Service Provider and to determine the appropriate mix and number of asset classes and investment funds to be made available under the Plan.
- G. MFIM is not a corporate affiliate of the Service Provider. MFIM provides consulting and other services to the Service Provider, for delivery to the Plan Sponsor, with respect to various matters, including the qualification of investment options for inclusion in the Qualified Investment List and certain other services provided by the Service Provider. MFIM receives compensation from the Service Provider for such services, in addition to any compensation that may be paid under this Agreement and similar agreements with other plans. MFIM or its affiliates also place property or casualty insurance, annuities or life insurance issued by the Service Provider or its affiliates. In some cases MFIM or its affiliate may be compensated for such placement by the Service Provider or its affiliates; in other cases, MFIM or its affiliates may be compensated by the purchaser. If during the term of this Agreement, the aggregate gross annual income of MFIM and its affiliates derived under its consulting or other agreements with or insurance placement fees paid by the Service Provider or its affiliates (together with any other income derived by MFIM and its affiliates from or in respect of any other business relationship with the Service Provider) will not exceed five percent (5%) of the aggregate gross annual income of MFIM and its affiliates, this Agreement will terminate. Neither MFIM, nor an affiliate of MFIM, shall manage any assets of a Service Provider mutual fund, collective trust fund, or other pooled investment vehicle if such management would cause the Services, the Qualified Investment List or such management to result in, or give rise to, a nonexempt prohibited transaction under Section 406 of ERISA as mutually and reasonably determined by MFIM and the Service Provider.
- H. The Service Provider is not responsible for the performance of the Services by MFIM under this Agreement and is not acting as an investment adviser to the Plan or the Plan Sponsor in respect of the Services. The Service Provider has agreed to provide certain administrative and other services to facilitate the Services provided by MFIM hereunder and has no authority, responsibility or discretion with respect to the determination of the investment options under the Plan. The Service Provider is not authorized to provide any investment advice to a Plan Sponsor in connection with the Qualified Investment List or in any manner amend, alter, modify or supplement the Services provided by MFIM hereunder. MFIM's performance under this Agreement is conditioned upon its receipt of those services by the Service Provider. Except for the

administrative and other services which the Service Provider provides in order to facilitate MFIM's Services under this Agreement, the rights, duties and responsibilities of the Service Provider are determined solely under the Service Agreement.

- I. In performing the Services, MFIM is not required to take into account, and will not have taken into account, any company stock fund, self-directed brokerage option, or any other investment options outside of the standard investment options offered by the Service Provider through its recordkeeping system. MFIM will not have any responsibility with respect to such company stock, self-directed brokerage option, or other non-standard investment options, and all decisions or actions with regard to such options shall be the sole responsibility of the Plan Sponsor.
- J. Services provided under this Agreement do not guarantee investment results which are better than those which could be obtained without the Services and do not otherwise guarantee future results.
- K. Services performed hereunder by MFIM will be based upon the information provided to MFIM by the Service Provider and the Plan Sponsor, including, but not limited to, financial and other information relating to the investment options available under the Plan, and any Service Provider-imposed ratio requirements for any particular type of investment options to be included under the Plan.
- L. The Plan Sponsor agrees to review, at least annually, the demographic of the Plan or other information necessary to determine the appropriateness of the Qualified Investment List chosen and make changes as necessary.
- M. For purposes of this Agreement, the Service Provider may (but is not required to) give the same effect to a telephonic instruction, voice recording, or any instruction received through electronic commerce from the Plan Sponsor as it gives to a written instruction, and the Service Provider's action in doing so shall be protected to the same extent as if such telephonic or electronic instruction were, in fact, a written instruction. Any instruction, notice, document, instrument or communication of any kind may be proved by original copy or reproduced copy thereof including, without limitation, a photocopy, a facsimile transmission, an electronic image or any other electronic reproduction, recorded tape, or other means acceptable to the Service Provider, as the case may be. If the Service Provider receives instructions or other information that are, in its opinion, incomplete or not clear, the Service Provider may request instructions or other information from the Plan Sponsor. Pending receipt of any such instructions or other information, the Service Provider shall not be liable to anyone for any loss resulting from any delay, action or inaction on its part.
- N. The Plan Sponsor consents to the Service Provider's electronic delivery of the reports listed in Section 1.C. (MFIM's market commentary on the previous quarter and a review of the funds on the Qualified Investment List which is in the P.O.L.I.C.E. Report (Performance, Organization, Legal, Investment

Policy, Consistent Style, Expense)) by means of a PDF file made available on the Internet not later than sixty (60) days after the end of each calendar quarter. The quarterly reports will be posted on the Plan Sponsor's Internet access to the Service Provider's recordkeeping system. The Plan Sponsor agrees to review these reports on a quarterly basis in order to determine the continued appropriateness of the Plan's investments.

- O. This Agreement may be retained, to the extent permitted by applicable law, in such form or forms as the Service Provider may elect including, without limitation, electronically, without the necessity of retaining an original or written copy. This Agreement and its signatures may be proved by original copy or reproduced copy, including, without limitation, a photocopy, a facsimile transmission, an electronic image or any other electronic reproduction.

Mesirow Financial Investment Management, Inc. Agreement

EXHIBIT A

Effective Date: _____

Plan Sponsor: _____

Plan: _____

The Plan Sponsor acknowledges having received, reviewed and selected the Plan's investments from the [investment option selection menu or investment selection grid].

IN WITNESS WHEREOF, the parties have entered into this Agreement, and will be legally bound by it, as of the Effective Date; provided, however, that this Agreement shall not become so binding on MFIM unless and until a copy hereof executed by the Plan Sponsor is submitted to MFIM.

Plan Sponsor Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Mesirow Financial Investment Management, Inc.

By: _____

Name: Michael Annin

Title: Managing Director

Date: _____

Mesirow Financial Investment Management, Inc. Agreement

EXHIBIT B

Core Asset Classes: Large Cap Equity, Small Cap Equity, International Equity, Fixed Income, and Cash Equivalents

Investment Options Currently Offered By The Plan Sponsor

Fund Name	Asset Class
AC Balanced	Moderate Allocation
Ac Inc and Growth	Large Value
AC Strategic alloc: cons	Conservative Allocation
AC Strategic alloc: mod	Moderate Allocation
AC Value	Large Value
AIM Financial	Financial
AIM Leisure	Miscellaneous Sector
AIM Real Estate	Real Estate
Aim Small cap Growth	Small Growth
Aim Technology	Technology
Alliance Bernstein Int'l Value	Foreign Large Value
American Cent. Ultra	Large Growth
American Century Eq Inc	Large Value
American Century Intl Growth	Foreign Large Growth
American Century Small Cap	Small Value
American Century Stat Alloc	Large Blend
Artisan Mid Cap	Mid-Cap Growth
Baron Small Cap	Small Growth
Calvert Social	Large Growth
Calvert Social Balanced	Moderate Allocation
Davis NY Venture	Large Blend
Dreyfus Intermediate Term Inc	Intermediate-Term Bond
Dreyfus Third Cent	Large Growth
DWS Growth and Inc	Large Blend
FA Balanced	Moderate Allocation
FA Growth & Inc	Large Blend
FA Growth Opp	Large Growth
Franklin Small-Mid	Mid-Cap Growth
Harford Index	Large Blend
Hartford Advisers	Moderate Allocation
Hartford Cap APP	Large Blend
Hartford Div & Growth	Large Value
Hartford Global Eq	World Stock
Hartford Global Health	Health
Hartford Int'l Growth	Foreign Large Growth
Hartford Int'l Opps	Foreign Large Blend
Hartford Largecap growth	Large Growth
Hartford Midcap	Mid-Cap Growth
Hartford MM	Money Market
Hartford Small Company	Small Growth
Hartford Stock	Large Blend
Hartford Total Return	Intermediate-Term Bond
Hartford US Gov't sec	Intermediate Government
Hotchkis and Wiley Mid Value	Mid-Cap Value
Janus Adviser Int'l Growth	Foreign Large Growth

Janus Balanced	Moderate Allocation
Janus Enterprise	Mid-Cap Growth
Janus Twenty	Large Growth
Janus Worldwide	World Stock
Loomis Sayles Bond	Multisector Bond
Managers AMG Skyline	Small Value
MFS Core EQ	Large Blend
MFS High Income	High Yield Bond
MFS Int'l New Discovery	Foreign Small/Mid Growth
MFS Mass Investors	Large Growth
MFS Utilities	Utilities
Oakmark Eq & Inc	Moderate Allocation
Oppenheimer Cap App	Large Growth
Oppenheimer Global	World Stock
Putnam Global Equity	World Stock
Putnam High Yield	High Yield Bond
Putnam Int'l new Opp	Foreign Large Growth
Putnam Vista	Mid-Cap Growth
T. Rowe Price Growth	Large Growth
Van Kampen Comstock	Large Value
Western Asset Core Bond	Intermediate-Term Bond
General Account	Stable Value
SSgA Russell 2000	Small Blend
SSgA Midcap Index	Mid-Cap Blend
SSgA S&P 500	Large Blend
SSgA Target date series	Target Maturity

*Alternative investment options available on the Service Provider platform will also be considered as alternatives to those funds currently offered by the Plan Sponsor.