

## **F.O.I. Compliance**

### **JOINT BOARD OF EDUCATION**

*Subject to Joint BOE approval*

**Date:** March 18, 2024

#### **Special Meeting – REMOTE MEETING held**

(To view a recording of this meeting, please visit our website [www.reg4.k12.ct.us](http://www.reg4.k12.ct.us) and select “Remote Meeting Recordings” under the BOARD OF EDUCATION Heading)

CHESTER BOARD OF EDUCATION: Jan Taigen, Jennifer Blalock, Ken Rice (*joined at 6:04 p.m.*), David Fitzgibbons (*joined at 6:05 p.m.*), Lorraine Connelly (*joined at 6:11 p.m.*)

DEEP RIVER BOARD OF EDUCATION: Pat Maikowski, Alyson Whelan, Kevin Harris, Melissa McIntyre, Bob Ferretti, Lenore Grunko (*joined at 6:02 p.m.*)

ESSEX BOARD OF EDUCATION: Lon Seidman, Mark Watson, Cassandra Sweet, Nancy Johnston, Kristen Pillion, Marjorie Russell

REGION 4 BOARD OF EDUCATION: Kate Sandmann, Lon Seidman, Jane Cavanaugh, John Stack, Lol Fearon, Richard Strauss, Rick Daniels, Jennifer Clark

Administration: Superintendent Brian J. White, Assistant Superintendent Sarah Brzozowy, Finance Director Bob Grissom

#### **CALL TO ORDER**

Superintendent White shared the intention for the meeting this evening, which is to discuss and possibly vote to approve a cooperative agreement for the health benefits collaborative and to direct administration to establish an account and transfer funds to the CT State Treasurer’s Short-Term Investment Fund (STIF). Although the self-insurance collaborative fund has been in existence for decades, a formal agreement governing it has never existed.

On motion duly made and seconded, the Chester, Deep River, Essex, and Region 4 Boards of Education unanimously VOTED to approve a Cooperative Agreement for a Health Benefits Collaborative (see attached).

Administration shared that per our insurance consultant, the recommended amount to keep in the current checking account would be no less than \$1,000,000 (one million dollars) based on anticipated monthly expenses.

On motion duly made and seconded, the Chester, Deep River, Essex, and Region 4 Boards unanimously VOTED to direct administration to establish an account and transfer fund balance in excess of the recommended amount from the Health Benefits Collaborative Medical Reserve Fund to the CT State Treasurer’s Short-Term Investment Fund (STIF).

#### **ADJOURNMENT**

On motion duly made and seconded, the Chester, Deep River, Essex and Region 4 Boards unanimously VOTED to adjourn at 6:43 p.m.

## **COOPERATIVE AGREEMENT**

### **Between**

**The Chester Board of Education, the Deep River Board of Education, the Essex Board of Education, the Regional School District No. 4 Board of Education, and the Supervision District Committee**

### **For a Health Benefits Collaborative**

This Cooperative Agreement (the “Cooperative Agreement”) is entered into by the Chester Board of Education, the Deep River Board of Education, the Essex Board of Education, the Regional School District No. 4 Board of Education, and the Supervision District Committee. (Each is a “Party,” and the five (5) above-identified entities are referred to collectively herein as the “Parties.”)

**WHEREAS**, Connecticut General Statutes Section 10-158a allows the Parties to form a cooperative agreement to enable such Parties to carry out the duties specified in the general statutes; and

**WHEREAS**, the Parties are legally obligated by statute or collective bargaining agreement to provide health benefits for their respective eligible union and non-union employees; and

**WHEREAS**, the Parties believe that it is in the best interests for each of them that a cooperative agreement be utilized to provide health insurance (medical, prescription drug, and dental coverage) and to pool their various health insurance enrollee counts (active employees, non-Medicare eligible retirees, and the families of such employees and retirees) to assist each other in the purchase and implementation of health benefits for their constituent employees; and

**WHEREAS**, the Parties further believe that it is in the best interests of the Parties to establish a self-insured health insurance reserve fund for the purchase of and implementation of health benefits; and

**NOW THEREFORE**, in consideration of the mutual covenants, promises and agreements set forth in this document, the five (5) Parties, intending to be legally bound by the terms of this Cooperative Agreement, hereby agree as follows:

### **SECTION I – PURPOSE**

The purposes of this Cooperative Agreement are as follows:

1. To facilitate the group purchase of health benefits (medical, prescription drug, and dental coverage) on a self-insured basis for eligible active employees, non-Medicare eligible retirees, and their families;

2. To determine payment requirements and methodologies attendant to the purchase of employee health benefits;
3. To establish, fund and manage a reserve fund where applicable and necessary for the provision of health benefits and attendant costs associated with same;
4. To establish a committee responsible for supervising the reserve fund;
5. To identify signatories authorized to establish financial accounts in the reserve fund, close accounts in the reserve fund, authorize disbursements from the reserve fund, and make representations on behalf of the committee responsible for supervising the reserve fund; and
6. To establish the procedure to withdraw or terminate participation in the group purchase of health benefits and the reserve fund attendant to same.

## **SECTION II – NAME AND FISCAL YEAR**

1. The name of the reserve fund shall be the Region 4 Self-Insured Health Insurance Fund (the “Reserve Fund”).
2. The fiscal year of the Reserve Fund shall commence on July 1 and end on June 30.

## **SECTION III – MEMBERSHIP**

Each Party is a separate employer for all of its own employees, and each Party remains responsible for all collective bargaining obligations regarding its respective employees, including compliance with all applicable collective bargaining agreements and all applicable statutes regarding collective bargaining. No Party shall be, or be deemed to be, the employer of any other Party’s employees.

## **SECTION IV – PAYMENTS, CONTRIBUTIONS AND ADMINISTRATION**

1. A committee appointed by the Supervision District Committee (the “Committee”) will be responsible for supervising the Reserve Fund. The Parties agree that as soon as practicable following the full execution of this Cooperative Agreement, the balance in the Regional School District No. 4 Board of Education Fund shall be transferred to the Supervision District Committee Fund. Such transferred funds, and any additional funds contributed by the Parties into Supervision District Committee Fund pursuant to the terms of this Cooperative Agreement, shall constitute the Reserve Fund. Thereafter, the Committee shall meet at such times as its membership deems necessary to oversee the Reserve Fund, provided at least one (1) meeting is held for this purpose during each fiscal year covered by this Cooperative Agreement.

2. Each Party shall make prompt monthly payments and such premiums or contributions to the Reserve Fund in such premium amount and under such terms as specified by the Committee.
3. The payment of such fees, expenses and health care contributions, including premiums, by each Party for a given month shall be paid by the twentieth (20<sup>th</sup>) day of the prior month or at such other times as the Committee shall specify.
4. Each Party shall contribute to the Reserve Fund the applicable amount to cover its own benefit plans and the funding and operation thereof. Each Party shall be responsible for contracting for and paying for all of the health plan contributions for its plans. Each Party shall owe its applicable share of expenses, including but not limited to administrative expenses as determined by the Committee.
5. The amounts contributed by all Parties into the Reserve Fund shall be reviewed annually by the Committee to determine whether reserve objectives are being met. Such review shall include each Party's utilization and payments in the preceding year and anticipated utilization and payments in the subsequent year. The Committee may recommend that any Party increase its contributions into the Reserve Fund, as necessary in order to maintain sufficient balances that are needed to cover the payment of the Party's plan claims on a timely basis.
6. If the amount needed for payments exceed the amount available in the Reserve Fund, the funds needed to cover the cost of such payments shall be deposited into the Reserve Fund by each Party in an amount equal to each Party's pro-rata share of the total amount needed to cover the payments.
7. The signatories authorized to conduct the activities related to the Reserve Fund as described in Section I.5 shall be the Chairperson of the Committee, the Treasurer of the Committee, the Superintendent of Schools, and the Finance Director of the Parties.

## **SECTION V – TERMINATION OF AGREEMENT**

1. This Cooperative Agreement shall be effective upon the full execution of this Cooperative Agreement and will remain in effect so long as at least two (2) of the Parties remain parties to this Cooperative Agreement.
2. In accordance with Conn. Gen. Stat. § 10-158a(b), any of the Parties may withdraw from this Cooperative Agreement, provided that at least one (1) year prior to the date of the proposed withdrawal, the withdrawing Party gives written notice to the other Parties of its intent to withdraw from this Agreement. A withdrawing Party will be entitled to a payout, refund, or distribution of its allocated portion, share, or percentage of the Reserve Fund, provided, however, no funds shall be disbursed to the Party until all costs and claims of the Party and its benefit plans have been paid and until each Party has paid into the Reserve Fund its share of any deficiency. If any Party withdraws from this Cooperative Agreement, such Party shall be responsible for its run-out claims existing prior to the

June 30 of the year in which the Party withdraws shall be paid from the Reserve Fund using the methodology described herein. In the event of withdrawal, the adjusted balance in the Reserve Fund (i.e., actual balance + any “due from” other funds – claims payable) as of June 30 of the year in which the withdrawal occurs will be divided by the total number of covered employees. The resultant number shall be multiplied by the number of covered employees for each group, which would be the value of the IBNR (incurred but not reported) for the withdrawing Party. Once that amount is met, any additional run-off claims would be the responsibility of the withdrawing Party. The maximum exposure for any one Party will be the applicable stop loss amount covered by the governing insurance policy. A withdrawing Party shall also remain responsible for its prorated share of all fees and expenses including but limited to any stop-loss fees and expenses that are incurred by it or on its behalf by the Reserve Fund in the year the Party’s withdrawal from the Cooperative Agreement is effective.

3. If there are not at least two (2) parties to this Cooperative Agreement as set forth in Section V.1, this Cooperative Agreement shall lapse. In the event of lapse, each Party at the time of such lapse must comply with the withdrawal provision as set out in Section V.2. Such Parties shall be responsible for their prorated share (as defined in Section V.2) of any and all expenses relating to the winding down of the Reserve Fund. In addition, in the event of lapse, each Party shall be responsible for any existing run-out claims using the methodology described in Section V.2.

## **SECTION VI – ENTIRE AGREEMENT**

This Agreement embodies the entire agreement between the Chester Board of Education, the Deep River Board of Education, the Essex Board of Education, the Regional School District No. 4 Board of Education, and the Supervision District Committee. The parties shall not be bound by or be liable for any statement, representation, promise, inducement, or understanding of any kind or nature not set forth herein. This Cooperative Agreement shall supersede all prior written agreements between the parties and their predecessors. No changes, amendments, or modifications of the Agreement shall be valid unless reduced to writing, signed by all parties.

## **SECTION VII – ACCEPTANCE AND APPROVALS**

1. By: Chester Board of Education

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

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

Signature: \_\_\_\_\_

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

2. By: Deep River Board of Education

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

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

Signature: \_\_\_\_\_

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

3. By: Essex Board of Education

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

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

Signature: \_\_\_\_\_

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

4. By: Regional School District No. 4 Board of Education

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

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

Signature: \_\_\_\_\_

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

5. By: Supervision District Committee

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

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

Signature: \_\_\_\_\_

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