

COLLABORATIVE AGREEMENT

WHEREAS, Connecticut Public Act 10-174, An Act Concerning Agreements between Municipalities and Boards of Education for the Joint Purchase of Employee Health Insurance, as amended (C.G.S. § 7-464(b)), provides that municipalities and/or local and/or regional boards of education may join together for the purposes of providing one or more health benefits as allowed by such act for their employees; and

WHEREAS, the legislative body or board of education of each constituent Member signing this Collaborative Agreement has duly authorized the establishment of, and participation in, the Connecticut Collaborative Health Insurance program ("CT-CHIP") pursuant to Connecticut Public Act 10-174, as amended, for provision of health benefits for the employees of the parties; and

WHEREAS, the Members are legally obligated by contract and by policy to provide health benefits for their respective eligible union and non-union employees; and

WHEREAS, the Members believe that it is in the best interests for each of them that CT-CHIP provide for Members to assist each other in the purchase of and implementation of health benefits for their constituent employees;

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements set forth in this Collaborative Agreement (this "Agreement"), the Members, intending to be legally bound hereby, agree as follows:

ARTICLE I –PURPOSE

1.1 The adopting municipalities and boards of education agree to exercise their powers pursuant to Connecticut Public Act 10-174, as amended, to cooperatively provide such health insurance and related benefits as CT-CHIP's Directors, as appointed below, may from time to time determine to provide. The adopting municipalities and Boards of Education have been duly authorized by their respective legislative bodies to provide health insurance benefits for their eligible employees in such manner in order to contain and limit the cost of such benefits.

1.2 Specific purposes of this Agreement include:

- 1.2.1 To facilitate the group purchase on a collective basis of health benefits for eligible employees and retirees;
- 1.2.2 To establish membership in the CT-CHIP;
- 1.2.3 To determine payment requirements and methodologies attendant to the purchase of employee health benefits through CT-CHIP.
- 1.2.4 To establish the procedure to withdraw or terminate Member participation in CT-CHIP and the benefits of such membership.

ARTICLE II – NAME & PRINCIPLE ADDRESS

Section 1 – Name – The name of the collaborative shall be the Connecticut Collaborative Health Insurance Program (CT-CHIP) hereinafter in this document referred to as the “Collaborative”.

Section 2 – Address – The principal office of the Collaborative is 376 Hartford Turnpike, Hampton, Connecticut 06247. The Collaborative may have other such offices within the State of Connecticut as determined by the Board of Directors.

ARTICLE III – MEMBERSHIP

Section 1 – Initial Members – Connecticut municipalities (towns) and/or Connecticut school districts may become a Member of the Collaborative. The initial Members are listed on Attachment A. The local legislative bodies of the initial Members have approved membership in the Collaborative and authorized an appropriate official for the applicable town and/or the superintendent for the applicable board of education to sign this Agreement. A Member town and the local/regional board of education of the same town shall be separate Members. Each initial Member on the effective date of this Agreement will reimburse the Collaborative for its share of costs relating to the start-up and formation of the Collaborative based on a ratio of their employee census.

Section 2 – Additional Members – Additional eligible Connecticut public school districts and/or municipalities may request to join the Collaborative by providing to the Board of Directors a certified copy of the resolution of its board of education, board of directors, or other legislative body, as applicable, which authorizes its joining the Collaborative. The decision for accepting new Members is subject to two-thirds approval of the existing Directors then in office. The Board can condition acceptance upon appropriate cost sharing and any other matters found relevant by the Board of Directors. New applicants that are approved for membership shall become Members on a date chosen by the Board of Directors. New Members shall become parties to this Agreement by signing a Joinder Agreement in the form of Attachment B.

Section 3 – Member Duties - All Members shall operate according to the Collaborative’s Operating Protocol, as set forth on Exhibit C and as amended from time to time by the Board of Directors in accordance with Article IX Section 2.

Section 4 – Separate Employer Status – Each Member is a separate employer for all of its own employees, and each Member 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. Neither the Collaborative nor any other Member shall be, or be deemed to be, the employer of any other Member’s employees or of the Collaborative’s employees. Nor shall the Collaborative have any responsibility or obligations with respect to the collective bargaining process applicable to any of its Members and each such Member’s employees.

Section 4 – Withdrawal from Membership

4.1 – All Initial and Additional Members, as defined in Sections 1 and 2 of this Article, must fulfill three (3) consecutive years as members of the Collaborative. Any Members seeking withdrawal from the Collaborative, either total or partially with respect to one or more of its employee groups, will be subject to the Departure Fee as defined in Section 4.2 of this Article. The Departure Fee will be waived for Members who have fulfilled their three (3) consecutive years and provide written notice to the Board of Directors and all other Members prior to November 1st of the preceding fiscal year. Departure fees (if applicable) will also apply to any subset of a Member that seeks withdrawal.

4.2 – The Departure Fee will be assessed as three percent (3%) of the of the known projected premium for the subsequent fiscal year.

4.3 – Removal of Members – A Member may be removed from the Collaborative by a two-thirds vote of the Directors then in office if the Member fails to remit its premium contribution within sixty (60) days after written notice of delinquency or it fails to adhere to the Standard Operating Guidelines and does not remedy its noncompliance to the satisfaction of the Board of Directors within 30 days of written notice from the Board describing the nonadherence and the corrective action expected. The removed Member shall be responsible for any expenses incurred as a result of its removal as well as its prorated share of any losses of the Collaborative after full reconciliation of the Collaborative's fiscal year.

4.4 – Reinstatement of Members – Members who have withdrawn or removed are eligible for reinstatement subject to two-thirds approval of all Directors then in office. Former Members of the Collaborative shall be considered for renewed membership no sooner than two years after the expiration of their last date of participation. Written notice of request to rejoin by a former Member and evidence of compliance with the requirements of Section 1 of Article III must be provided to the Board of Directors on or before November 1st of the fiscal year preceding the fiscal year for which renewal is sought.

ARTICLE IV – BOARD OF DIRECTORS

Section 1 – General Powers – The business and affairs of the Collaborative shall be managed by a Board of Directors.

1.1 Delegated Authority - The Board of Directors shall have and may exercise all of the powers delegated to it by its Members under this Agreement.

1.2 Acquire Health Insurance Coverage - The Directors shall have the power to bid for and procure on behalf of and binding upon the Members, with a simple majority vote of the Board of Directors approving such action, health benefits through insurance policies obtained in furtherance of this Agreement.

1.3 Duty of Care - The Directors shall not be liable for the acts or omissions of any consultant, third-party administrator, attorney, certified public accountant, investment manager, or other agent, or independent contractor employed by them pursuant to this Agreement, provided that such consultant, third-party administrator, attorney, certified public accountant, investment manager, or other consultant, agent, or individual or entity's performance was periodically reviewed by the Board of Directors and found to be satisfactory.

Section 2 – Appointment of Directors – The initial Directors shall be appointed by the initial Members with each Member appointing one person to the Board of Directors. So appointed Directors shall take office upon the signing of this Agreement. Each Director shall serve at the pleasure of its appointing Member, which may remove and replace a Director at any time upon written notice to the Collaborative. Otherwise, each Director shall serve until the next succeeding Annual Meeting. Each Member shall appoint or reappoint a Director by notice in writing to the then current Chairperson prior to each Annual Meeting. Once appointed, each member of the Board of Directors may appoint one Alternate Director who may assume, upon attendance, all of the Director's responsibilities at a Meeting of the Board in the event of such Director's absence from such Meeting. Alternate Directors shall serve at the pleasure of the appointing Director. Appointment of an Alternate Director may be for a specific Meeting, a certain period of time or for the duration of the appointing Director's term. A Director may only have one Alternate Director at any one time. All Alternate Director appointments shall be timely provided in writing to the Chair of the Board of Directors.

Section 3 – Qualifications – All Directors and Alternate Directors must be an active employee of their respective Members. Directors, whose employment has ended with their public school district or municipality, will be automatically removed from the Board of Directors effective with their last day of active employment. Alternate Directors are removed immediately upon the appointing Director's departure from office. Insurance consultants and brokers are not eligible to be Directors or Alternate Directors.

Section 4 – Vacancies – Any vacancy occurring in the Board of Directors shall be filled by the Member which the former Director represented within two months by written notice to the Chairperson.

Section 5 – Meetings – All Meetings of the Board shall be open to the general public for observation but not participation. The Board of Directors shall have an Annual Meeting each May on such date as the Board shall select. The Board shall also have four regular Meetings with one in each fiscal quarter on dates it selects. The Board may have such special Meetings as its Chairperson shall determine or two Director's request. Special Meetings require at least five business days advance notice. Every notice of a Meeting shall state the time, place of the Meeting, and state the purpose of the Meeting. However, any matters relating to the affairs of the Collaborative may be brought up for discussion and added to the agenda by a two-thirds vote of those present at the annual Meeting **or** of any other Meeting of the Collaborative.

5.1 - Annual Meeting. The Annual Meeting shall:

- (a) Elect officers to replace officers whose terms are expiring.
- (b) Adopt the budget for the next fiscal year of the Collaborative.
- (c) Address any financial related matters of the Collaborative that may arise.
- (d) Consider or enact such other business as shall be deemed advisable at such Meeting.
- (e) Review the membership and define intentions for possible adjustment or expansion objectives for the Collaborative.

5.2 - Quarterly Meetings. Quarterly Meeting agendas shall be set by the Chairperson. At the quarterly Meeting (closest to January 30th) the agenda shall include review of insurance coverage options for the next fiscal year.

5.3 – Notice – Written notice stating the date, time and agenda of Board Meetings shall be delivered no less than five business (5) days before the date of each Meeting. Meeting notice may be delivered by mail, email or fax to the Town Clerk of each municipality that is a Member, to the Chair of each Board of Education that is a Member and to each Director at the addresses provided by each Member from time to time in writing to the Executive Manager.

5.4 – Quorum – A majority of the total number of filled directors positions shall constitute a quorum for the transaction of business at all Meetings; but if less than such majority is present at any Meeting, a majority of Directors present may adjourn the Meeting from time to time without further notice.

5.5 – Voting – Each Member acting through its Director or Alternate Director is entitled to one vote upon each matter submitted for a vote at a Board of Directors Meeting. The Chair vote is the one which breaks any ties. Any Director may vote by proxy provided timely written communication to the Chairperson.

5.6 - Location and Conduct of Meetings. Board Meetings will take place at the Collaborative's principle office. Alternate Meeting sites may be designated by the Board of Directors and communicated in the Meeting notice. Meetings and voting may take place electronically as long as all Meeting attendees can hear one another. In the conduct of its Meetings, the Board of Directors shall be guided by Robert's Rules of Order unless such provisions are inconsistent with this Agreement.

Section 6 – Prohibition of Compensation – Directors and Alternate Directors shall not be paid compensation for performance of their duties as Directors and Alternate Directors.

ARTICLE V – OFFICERS

Section 1 – Structure – The Collaborative’s Officers shall include a Chairperson, Vice-Chairperson, Secretary and Treasurer. Other Officers may be appointed as deemed necessary by the Board of Directors. The Chairperson may not hold more than one Office. Other Officers may hold more than one Office. An Officer must be a Director of the Collaborative. Officers shall not be compensated for their service.

Section 2 – Election and Term of Office – The Collaborative’s officers specifically designated in Section 1 of Article IV shall be elected every two years by the Board of Directors at its annual Meeting or as soon thereafter as is practical. The Chairperson will serve two years to be succeeded by the Vice Chairperson after year two. Officers other than the Chairperson may be reappointed.

Section 3 – Removal – Any Officer may be removed at any time when in the judgment of the Board of Directors the best interest of the Collaborative shall be served. Such removal shall be effected by a two-thirds vote of the Directors at any Meeting of the Board of Directors, provided that written notice of such Meeting and purpose shall have been given to the Officer(s) whose removal is to be considered. Such notice shall be by email with return receipt to the Officer’s most recent email address on record at the Collaborative.

Section 4 – Vacancies – Any position vacated by an Officer may be filled at any Board Meeting for the unexpired portion of the term by two-thirds vote of the Directors present, provided such action was set forth in the notice of Meeting.

Section 5 – Chairperson – The Chairperson shall preside over all Meetings of the Board of Directors and shall call special Meetings of the Board of Directors at the Chairperson’s own discretion or upon petition by two Directors.

Section 6 – Vice Chairperson – The Vice Chairperson shall fulfill all duties of the Chairperson in the Chairperson’s absence.

Section 7 – Secretary – The Secretary shall be the custodian of the Collaborative’s records, take and preserve minutes of the Board Meeting, as well as other such duties from time to time as may be assigned by Chairperson or Board of Directors.

Section 8 – Treasurer – The Treasurer shall have charge and custody of, and shall be responsible for, all funds and financial instruments of the Collaborative. The Treasurer shall also have charge of the books and records of account of the Collaborative, which shall be kept at the principle office or other location as directed by the Board of Directors. The Treasurer shall provide a financial report of the Collaborative to the Board of Directors at each regularly scheduled Board Meeting. The Treasurer is responsible for the filing of all reports and returns relating to or based upon the books and records of the Collaborative kept under the direction of the Treasurer and other such duties from time to time as may be assigned by the Chairperson or Board of Directors.

ARTICLE VI – STAFF TO THE BOARD OF DIRECTORS

Section 1 – Executive Manager – The Board of Directors may hire or contract with an Executive Manager who, acting on behalf of the Board of Directors, shall be the principal executive of the Collaborative and shall have responsibility for carrying out the business affairs of the Collaborative as directed by the Board. The Executive Manager's shall serve at the discretion of the Board which shall establish all terms and conditions of employment including compensation.

Section 2 – Support Staff – The Collaborative may employ staff or contract with third-parties for services, including but not limited to, accountants and administrative assistants, who shall work under the direction of the Executive Manager. These positions and the corresponding terms and conditions of employment or engagement, inclusive of compensation, shall be established by the Board of Directors.

ARTICLE VII – CONTRACTS, LOANS AND CHECKS

Section 1 – Contracts – The Board may authorize the Executive Manager to enter into contracts and agreements in the name of and on behalf of the Collaborative. Any contract involving a dollar amount in excess of any threshold established by the Board of Directors shall require the signature of both the Executive Manager and Chairperson. Unless specifically authorized by the Board of Directors, no other officer, employee or agent shall have any authority to enter into any contracts on behalf of the Collaborative.

Section 2 – Loans – No loans shall be contracted on behalf of the Collaborative and no indebtedness shall be issued in its name unless authorized by a specific resolution of the Board of Directors by a two-thirds vote of all Directors then in Office.

Section 3 – Checks, Drafts or Other Similar Orders – All checks, drafts, bills of exchange or other orders for the payment of money shall be signed by the Treasurer and Director appointed by the Board of Directors.

ARTICLE VIII – INDEMNIFICATION

To the extent permitted by the laws of the State of Connecticut, the Collaborative shall indemnify each Director and Officer and each former Director and Officer of the Collaborative, who in the capacity of Director or Officer, was or is a named party or is threatened to be made a party to any pending or completed claim, action, suit or proceeding (other than an action by or in the name of the Collaborative). To the extent permitted, indemnification includes attorney fees, judgments, fines, and amounts paid in settlement activity and reasonably incurred by the indemnified person in connection with any such claim, actions, suit, or proceeding. No indemnification shall be provided with respect to any civil matter in which a person seeking indemnification shall have been finally adjudicated not to have acted in good faith in the reasonable belief that the person's action was in the best interests of the Collaborative; or, in any criminal matter, not to have had reasonable cause to believe that the person's conduct was lawful. To the extent permitted by law, the Collaborative may purchase and maintain insurance

against the liabilities of its Directors and Officers and employees. If such insurance is purchased, it shall be the exclusive source of indemnification. This Article shall not limit or otherwise affect the applicability of any statutory immunity from personal liability available to any Director or Officer or affect the sovereign immunity of any municipality. This Article shall not limit the ability of the Board of Directors to agree by written contract to indemnify other parties.

ARTICLE IX – GENERAL PROVISIONS

Section 1 – Fiscal Year – The Collaborative’s fiscal year shall be July 1st through June 30th.

Section 2 – Operating Protocol – The Board of Directors shall promptly amend the interim Operating Protocol attached as Exhibit C in order to pursue the purpose of the Collaborative and more completely specify the manner for conducting the business affairs of the Collaborative. The Operating Protocol and any changes thereto must be approved by the Directors representing at least [80%] of the Members. Such approval may be expressed by resolution adopted at a Board Meeting or by written consent signed by the requisite number of Directors. The Operating Protocol shall include (i) the payment requirements for Members for health insurance coverage for their employees; (ii) Member’s payment requirements for the Collaborative’s administrative expenses; (iii) establishment of financial accounts for each Member and for the Collaborative; and (iv) other pertinent provisions necessary for operating the Collaborative.

Section 3 – Amendments – This Agreement may be amended by a two-thirds vote of all Directors then in Office at any regular or special Meeting of the Board of Directors provided that in each case the notice of the proposed amendment is included in the notice of the Meeting. Such amendments shall be effective upon approval unless otherwise determined by the Board by similar vote.

Section 4 – Dispute Resolution – The Members agree that any and all disputes between them of any nature under or concerning the Collaborative shall be resolved through binding arbitration in accord with the American Arbitration Association. Any claim by any Member shall be filed in writing with the Directors within 30 days of the existence of the claim. If the Directors cannot resolve the matter to the satisfaction of the Member, the claimant may appeal to arbitration by filing a written claim with the American Arbitration Association within 45 days after the submission of the claim to the Directors. In addition, upon approval by the Board of Directors, the Collaborative may initiate a claim against a Member by written notice to the Member, which also shall be resolved through binding arbitration with the American Arbitration Association commenced by the Board within 45 days after written notice of the claim is given to the Member, but only if the matter cannot be resolved within 30 days of the date notice was received by the Member. The costs and fees of any such arbitration assessed by the arbitrator or the American Arbitration Association shall be borne equally by each participating party in such arbitration. Each participating party in the arbitration shall be solely responsible for the fees and expenses of its own representation and other fees and expenses of its consultants and/or experts.

Section 5 – Governing Law – This Agreement is entered into in the State of Connecticut and all issues pertaining to the validity and the construction of this Agreement and of the acts or transactions of the Members hereto shall be determined in accordance with the laws of the State of Connecticut.

Section 6 – Severability – Each Member specifically agrees that it is its intent that this Agreement, under all circumstances and in every respect, shall comply with all applicable statutes, governmental regulations and judicial decisions. However, in the event any provision of this Agreement be held to be unlawful, or unlawful as to any person or instance, such fact shall not adversely affect the other provisions of this Agreement herein contained or the application of such provisions to any other person or instance.

ARTICLE X – TERMINATION AND DISSOLUTION

Section 1 – Dissolution – This Agreement and the Collaborative shall terminate and dissolve upon:

1.1 – Member Agreement. At the end of a fiscal year, after a vote of two-thirds of the Directors then in office provided that such vote occurs by resolution adopted at a Board Meeting or by written consent signed by the requisite number of Directors no later than November 1 of the fiscal year in question.

1.2 – Membership Reduction. This Agreement shall automatically be terminated at such time as there may only be one Member or two Members from the same community.

1.3 – Insolvency. In the event that the Collaborative becomes insolvent or unable to pay its obligations for health insurance on a consistent and timely basis, upon majority vote of the Directors at a Meeting at which a quorum is present provided that the agenda for the Meeting included notice that such vote would be taken.

Section 2 – No Exit Fees - There will be no departure fees under Section 4.1 of Article III assessed on any exiting Member as a result of the dissolution of the Collaborative. However, each Member shall remain liable for its share of the cost of winding up the business and affairs of the Collaborative.

The Members identified on Exhibit A having obtained requisite authority from their respective legislative bodies and intending to be legally bound, have caused this Agreement to be executed by their duly authorized representatives on the ___ Day of _____, 2020.

Town of Bolton

By _____

Title _____

Town of Brooklyn

By _____

Title _____

Town of Columbia

By _____

Title _____

Town of Thompson

By _____

Title _____

Bolton Board of Education

By _____

Title _____

Brooklyn Board of Education

By _____

Title _____

Canterbury Board of Education

By _____

Title _____

Columbia Board of Education

By _____

Title _____

Thompson Board of Education

By _____

Title _____

Exhibit A

Members

Bolton Board of Education
72 Brandy Street
Bolton, CT 06043

Town of Bolton
222 Bolton Center Road
Bolton, CT 06043

Brooklyn Board of Education
119 Gorman Road
Brooklyn, CT 06234

Town of Brooklyn
4 Wolf Den Road,
PO Box 356
Brooklyn CT 06234

Canterbury Board of Education
45 Westminster Road
Canterbury, CT 06331

Columbia Board of Education
3 Schoolhouse Road
Columbia, CT 06237

Town of Columbia
323 Route 87
Columbia, CT 06237

Thompson Board of Education
785 Riverside Drive
North Grosvenordale, CT 06255

Thompson Board of Education
785 Riverside Drive
North Grosvenordale, CT 06255

Town of Thompson
815 Riverside Drive, PO Box 899
North Grosvenordale, CT 06255

Exhibit B
Joinder Agreement

WHEREAS, by executing this Joinder Agreement, the undersigned shall become, upon delivery and acceptance of this Joinder Agreement as provided below, a Member of the Connecticut Collaborative Health Insurance Program (“CT-CHIP”) evidenced by the Collaborative Agreement dated _____, 2020 and any amendments thereto which agreement and any amendments have been entered into by various Connecticut municipalities and boards of education pursuant to Connecticut Public Act 10-174, as amended (the “Collaborative Agreement”).

NOW, THEREFORE, to obtain the benefits available to the undersigned as a Member of CT-CHIP, the undersigned agrees as follows:

1. The undersigned hereby agrees that, upon delivery and acceptance by CT-CHIP’s Board of Directors of this Joinder Agreement, the undersigned will become, without any further documentation or action on the part of the undersigned or any other person or entity, a party to the Collaborative Agreement as of the date of such acceptance by the CT-CHIP Board and will be bound by and benefit therefrom in accordance with its terms.

2. The undersigned hereby further agrees that this Joinder Agreement shall be construed to be an executed and delivered signature page to the Collaborative Agreement and that, as such, may be used by CT-CHIP to evidence that the undersigned is a party thereto.

3. All capitalized terms used in this Joinder Agreement which are not defined herein shall have the meaning given to them in the Collaborative Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement.

Town of Bolton

By _____ Date: _____

Title _____

Town of Brooklyn

By _____ Date: _____

Title _____

Town of Columbia

By _____ Date: _____

Title _____

Town of Thompson

By _____ Date: _____

Title _____

Bolton Board of Education

By _____ Date: _____

Title _____

Brooklyn Board of Education

By _____ Date: _____

Title _____

Canterbury Board of Education

By _____ Date: _____

Title _____

Columbia Board of Education

By _____ Date: _____

Title _____

Thompson Board of Education

By _____ Date: _____

Title _____

This Joinder Agreement was accepted by the CT-CHIP Board of Directors on

_____, 20__.

Secretary of CT-CHIP

Exhibit C

Operating Protocol

- I. A Member in Good Standing will adhere to the following:
- (a) Complete the membership process and be approved by the Collaborative Board of Directors.
 - (b) Adhere to all requirements of the Collaborative Agreement. Remit premiums on time or within the 30-day grace period.
 - (c) Member entities must be represented by a Director or designated Alternate Member/Proxy at Board Meetings.
 - (d) Notice of appointment of an Alternate Director must be given and acknowledged by the Chairperson in advance of the first Board Meeting to be attended by such Alternate Member/Proxy.

II. Financial Requirements:

Insurance Premiums: Premiums shall be due from Members on the first day of each month and must be paid by the 10th of each month to be considered on time. Payments received after the 10th are within the secondary grace period and must be received and processed by the Collaborative on or before the end of the 30-day grace period to remain on time. Payments received or processed after the 30-day grace period will be considered delinquent. Premium payments should be made payable to the Connecticut Collaborative Health Insurance Program or CT-CHIP. All payments shall be submitted to the CT-CHIP Executive Manager by live check or wire transfer. Any wire transfer fees generated will be the responsibility of the depositor.

Operating Expenses: Operating expenses will be allocated among Members based on the ratio of the number of employees insured through the Collaborative.