

**JOINT POWERS AGREEMENT
FOR GROUP EMPLOYEE BENEFITS AND OTHER FINANCIAL AND RISK MANAGEMENT
SERVICES
(Revision 7.2)**

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**JOINT POWERS AGREEMENT
FOR GROUP EMPLOYEE BENEFITS AND OTHER FINANCIAL AND RISK MANAGEMENT
SERVICES**

This Joint Powers Agreement, hereinafter referred to as “Agreement,” is made effective upon the date hereof and is between Participant Member _____ and other Participant Members as are now or may hereafter become parties to this Agreement, and the National Joint Powers Alliance (NJPA) hereinafter called the “SC”

RECITALS

Whereas, Minn. Stat. 471.59, Subds. 1 and 10 authorizes two or more governmental units to exercise jointly or cooperatively powers which they possess in common, and

Whereas, Minn. Stat. 123A.21, establishes service cooperatives, the purpose of which among other things, is to assist participating governmental units in meeting certain specific needs which can most advantageously be met on a regional basis, and

Whereas, the Participant Members wish to create a joint Board of Trustees for the purpose of exercising certain powers as set forth in the Agreement, and

NOW THEREFORE, the parties hereto agree as follows:

**SECTION 1:
PURPOSE, INTENT AND OBJECTIVE**

1.1 **Purpose.** Under the provisions of Minnesota law, governmental units may enter into contracts for the purposes of providing Group Employee Benefits for their employees and to obtain Other Financial and Risk Management Services deemed necessary or beneficial for their operation. Under the provisions of Minn. Stat. 471.59, two or more governmental units (including, but not limited to, school districts, counties, towns, other governmental agencies and service cooperatives) may agree to exercise jointly or cooperatively powers which they possess in common. The purpose of this Agreement is to authorize the Joint Powers Board of Trustees to exercise the common powers of the participating governmental units in connection with certain matters pertaining to the administration and funding of Group Employee Benefits and the provision of Other Financial and Risk Management Services, all as described herein. It is not the purpose of this Agreement to transfer to the Board of Trustees the authority to execute contracts on behalf of Participant Members unless explicitly stated in this Agreement, or to in any manner become involved in any collective bargaining process. The Board of Trustees will have authority to execute contracts on behalf of the Board of Trustees and the Risk Management Pool.

1.2 **Compliance with Applicable Laws.** It is the parties’ intent to comply with the applicable statutory requirement pertaining to requests for proposals for group insurance, self-insurance, COBRA and its Minnesota extensions, service cooperatives, and all other applicable federal and state statutes.

1.3 **Prior Agreements.** Any prior Risk Management Pool Joint Powers Agreements are hereby superseded and terminated effective as of the date hereof and shall be without further force or effect.

SECTION 2: DEFINITIONS

2.1 **Advisory Committee(s)** means committees appointed by the Board of Trustees in accordance with Section 4.8 of this Agreement which are representative of the Participants as deemed appropriate by the Board of Trustees for this purpose or recommending policies, procedures and actions to the Board of Trustees.

2.2 **Agreement** means this Joint Powers Agreement as the same may be amended from time to time. This document, and all other documents in the same form executed (or deemed executed as provided in Section 9 of the Agreement) by SC and other Participant Members, all as amended from time to time, shall together constitute a single Agreement.

2.3 **Joint Powers Board** means the Risk Management Pool Board of Trustees (hereinafter referred to as "Trustees") authorized to exercise certain powers of the Participant Members, as permitted in Minn. Stat. 471.59, Subd. 2 and as set forth in this agreement.

2.4 **CBA** means collective bargaining agreement.

2.5 **CBA Employee Benefits** means employee welfare and retirement benefits made available by the Trustees from time to time for adoption by a Participant pursuant to the terms of a CBA, and may include, but shall not be limited to health benefits coverage, wellness and employee assistance programs, life insurance, disability income protection, dental insurance, flexible spending programs, retirement programs and long term care insurance. In no event shall any Discretionary Employee Benefits be considered CBA Employee Benefits unless and until they become part of a collective bargaining agreement between a union and a Participant.

2.6 **Discretionary Employee Benefits** means employee welfare and retirement benefits made available by the Trustees from time to time for adoption by a Participant, exclusive of any CBA Employee Benefits, and may include, but shall not be limited to health benefits coverage, wellness and employee assistance programs, life insurance, disability income protection, dental insurance, flexible spending programs, retirement programs and long term care insurance. Discretionary Employee Benefits may be terminated or reduced by the Trustees at any time. In the event any Discretionary Employee Benefit is terminated by the Trustees but continued by one or more Participants, the provision of such Discretionary Employee Benefit shall become the sole responsibility of such Participants.

2.7 **Group Contract** shall mean an agreement for the rendering of services by and between a Participant and a Provider of such services. In connection with the self-insurance of employee health benefits, such an agreement may also mean a Participant's agreement to participate in a program of self-insurance.

2.8 **Group Employee Benefits** shall mean CBA Employee Benefits and Discretionary Employee Benefits.

2.9 **Other Financial and Risk Management Services** may include, but shall not be limited to, technical advice regarding borrowing programs, contracted legal services, property/casualty safety group protection, personal property and casualty protection, student accident, coverage and other services as made available by Group Contract for Participants from time to time by the Trustees.

2.10 **Operating Agreement** means an agreement by and between the Trustees and a Provider which establishes terms for the benefits, administration or funding of Group Employee Benefits or Other Financial and Risk Management Services.

2.11 **Participant Member** means any governmental unit as defined in Minn. Stat. 471.59 which is accepted for participation in this Agreement by the Trustees, certifies that its employee benefit plans qualify as “governmental plans” that are exempt from application of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and agrees in writing to be bound by the terms of this Agreement (or is deemed to have so agreed as provided in Section 9 or this Agreement). It does not refer to individual employees obtaining insurance or other benefit coverage pursuant to a plan offered by a Participant Member which is funded or administered in whole or in part pursuant to this Agreement.

2.12 **Risk Management Pool** means the collective group of Participants in a given program of Group Employee Benefits or Other Financial and Risk Management Services, as the context shall require. Absent an agreement expressly to the contrary a separate Pool shall exist for each such program and a separate Group Contract shall exist between the Provider and each Participant for the rendering of services or benefits for which such Pool is formed.

2.13 **Program Funds** means any monies, reserves, excesses, or other amounts, whether acquired through contributions, payments, discounts, dividends, refunds, credits, reserves, savings, interest or otherwise, that are held and administered in accordance with Section 6 of this Agreement.

2.14 **Provider** means the person, insurance carrier, third party administrator, or other entity which is selected by the Trustees, in its discretion, to provide Participants with Group Employee Benefits or Other Financial and Risk Management Services or, as in the case of self-insured health benefits, to provide administrative or other services in connection with such Benefits or Services.

2.15 **SC** means the National Joint Powers Alliance, a governmental agency and public corporation, whose existence is authorized by Minn. Stat. 123A.21.

SECTION 3: JOINT POWERS GOVERNING BOARD OF TRUSTEES

3.1 **Board Membership.** The Risk Management Pool is governed by a Joint Powers Board of Trustees, consisting of members of the SC Board of Directors, K-12 school representatives, cities/counties/other governmental agencies (CCOGA) representatives, and school labor or CCOGA labor representatives. The initial Board of Trustees will be appointed as follows: seven (7) representatives will be appointed by the SC to include three (3) Trustees representing the SC Board of Directors and four (4) Trustees representing Participant Members. Thereafter, the Board of Trustees, as outlined in the By-Laws, will be composed of three (3) representatives appointed by the SC and the remaining representatives appointed by the current Advisory Committee. After the initial Board of Trustees, the Board of Trustee members will serve four (4) year terms. The initial Board of Trustees will serve a staggered term as follows:

- i. A Labor Representative will be appointed by the Advisory Committee to serve an initial term that will expire December 31, 2017.
- ii. One NJPA Board Member’s initial term on the Board of Trustees will expire December 31, 2015. That Board Member will be replaced by an appointee of the Advisory Committee.

- iii. Two NJPA Board Members' initial terms on the Board of Trustees will expire on December 31, 2016. One of those will be replaced by an appointee of the Advisory Committee and one will be replaced by an appointee of the NJPA Board.
- iv. One NJPA Board Member's initial term on the Board of Trustees will expire on December 31, 2017. That Board Member will be replaced by an appointee of the NJPA Board.
- v. The remaining two NJPA Board Members' initial terms on the Board of Trustees will expire on December 31, 2018. One of those will be replaced by an appointee of the Advisory Committee and one will be replaced by an appointee of the NJPA Board.

3.2 **Upon Dissolution of the SC.** In the event that the SC is dissolved, the Board of Trustees shall continue to exist and its members shall be elected or appointed solely from the governing bodies of the Participant Members to this Agreement in a manner consistent with the provisions of the Joint Powers Act, Minn. Stat. 471.59, Subd. 2. Any administrative services provided by the SC prior to its dissolution shall be provided thereafter as determined by the SC Board of Directors in its discretion.

SECTION 4: RIGHTS AND RESPONSIBILITIES OF THE TRUSTEES

4.1 **Authorized Powers.** The Trustees will exercise all lawful powers and duties necessary and incidental to the implementation of the purposes set forth herein, including, but not limited to, the adoption of by-laws to govern the functioning of the Board of Trustees, provided that no by-law or action of the Trustees will be contrary to the terms of this Agreement or statute. Pursuant to Minn. Stat. 471.59, Subd. 2, in addition to any other powers specifically delegated to the Trustees by this Agreement, the Trustees are hereby authorized to:

- i. adopt by-laws to guide the processes of the Trustees sufficient to support the day-to-day operations of the Risk Management Pool;
- ii. approve the annual budget;
- iii. contract with other parties for the provision of programs, services, expertise or as otherwise necessary for the effective operation of the Board of Trustees and the Risk Management Pool.
- iv. establish, procure and administer Group Employee Benefits and Other Financial and Risk Management Services;
- v. define and clarify requests for proposals, rights and responsibilities, length of contract, premium or contribution rates and other costs, termination guidelines, the relative liability of the parties, and the method(s) by which parties to this Agreement shall exercise their common powers;
- vi. receive, collect, hold, invest, expand, disburse, and account for Program Funds in connection with the exercise of its powers under this Agreement; and

- vii. except as restricted below, delegate to officers or committees any powers or duties which may be performed by the Trustees subject to such limitations as set forth in the action delegating such power or duty. The Trustees will not delegate the following duties:
 - a. amendments to the Agreement;
 - b. addition of Participant Members;
 - c. adoption of By-laws;
 - d. approval of annual budget;
 - e. approval of annual financial statements;
 - f. retention or engagement of financial auditors and legal counsel, except on a temporary or emergency basis.

4.2 **Group Employee Benefits.**

- i. **CBA Employee Benefits.** The Trustees may from time to time make employee welfare and retirement benefits available for adoption by Participant Members pursuant to a CBA. The Trustees may arrange alternative financing arrangements respecting such benefits, and may administer or arrange for the administration of such benefits. Any employee or collective bargaining representative notification of alternative financing arrangements shall be the responsibility of the Participant Member. The Group Contract for the provision of such benefits shall be between the Participant Member and the Provider Pursuant to Minn. Stat. 471.59, Subd. 5, the Trustees have no authority nor authorization to change a policy or benefit respecting a Participant Member's CBA Employee Benefits in a manner that would reduce the aggregate value of such benefits.
- ii. **Discretionary Employee Benefits.** The Trustees may from time to time make available for adoption by Participants Discretionary Employee Benefits. The Trustees may arrange alternative financing arrangements respecting such benefits, and may administer or arrange for the administration of such benefits. The Group Contract for the provision of such benefits shall be between the Participant Member and the Provider. Notwithstanding that a Group Contract for Discretionary Employee Benefits be between a Participant Member and a Provider, the Trustees, upon reasonable notice to Participant Members, may prospectively amend, reduce or terminate any such Discretionary Employee Benefits in its sole and absolute discretion.
- iii. **Reserves.** The Trustees shall from time to time determine the minimum amount of funds needed for purposes of risk management and rate stabilization. Any such funds shall be held and used in accordance with, and subject to the limitations set forth in, Section 6.
- iv. **Self-Insurance of Health Benefits.** In accordance with Minn. Stat. 471.617, Group Employee Benefits that are employee health benefits may be self-insured. A self-insurance Pool made available by the Trustees shall be a pool established and operated by the Trustees, or by the Trustees and one or more other joint powers governing boards governed by Minn. Stat. 471.59 or service cooperatives by Minn. Stat. 123A.21.

4.3 **Other Financial and Risk Management Services.** The Trustees may make available Other Financial and Risk Management Services for electing Participant Members and may administer, or

arrange for the administration of such services. The Trustees will determine the most cost-effective and appropriate manner in which to deliver Other Financial and Risk Management Services and the service fees and other costs pertaining to the same.

4.4 **Operating Agreement.** The Trustees, alone or in collaboration with other governmental units, whether acting alone or jointly, including other service cooperatives, may negotiate Operating Agreements for the benefit of the SC and each of the Participant Members with respect to any Group Employee Benefit or Other Financial and Risk Management Service. Such Operating Agreements may establish, among other things:

- i. the terms and conditions for any program,
- ii. premium or contribution rates and other costs,
- iii. funding arrangements,
- iv. administrative arrangements, including the extent to which the SC shall provide administrative services,
- v. the applicable responsibilities of the Trustees, and
- vi. the amount of service fees payable to the SC.

4.5 **SC Service Fees.** The SC may be paid a service fee in consideration for services rendered pursuant to this Agreement and any Operating Agreements. The amount and source of such service fee shall be established from time to time by the SC and agreed to by the Trustees.

4.6 **Service Providers.**

- i. **Selection.** The Participant Members hereby delegate to the Trustees the right to select the Providers for Group Employee Benefits and Other Financial and Risk Management Services on behalf of the Participant Members.
- ii. **Governmental Unit Bidding and Contract Laws.** As applicable, the Trustees shall comply with all state and federal laws relating to requests for proposals, review of proposals, length of Group Contract rules, and other laws and regulations relating to contracting for Group Employee Benefits and Other Financial and Risk Management Services.
- iii. **Service Provider Rate Increases.** The Trustees will annually review renewal information as presented by Providers, make recommendations and determine if requests for proposals are necessary. Rate renewals for group insurance will be determined on the basis of the aggregate change of premiums.

4.7 **Premiums and/or Contract Charges.** To the extent not established by the applicable Operating Agreement or in any other manner prescribed by this Agreement, premium and/or contract charges shall be determined by the Trustees in its discretion; provided, however, that in accordance with Section 6.5, no retroactive assessment may be made without the consent of the affected Participant Members.

4.8 **Advisory Committee(s).** The Trustees may, but is not required to, appoint one or more advisory committees. The purpose of any such committee may include, without limitation, the receipt and

processing of information relating to group employee benefits, and the future direction of such benefits as well as other programs and services. The Trustees shall consider, but is not required to adopt, advisory committee recommendations and proposals. Labor representation, when appropriate, on any advisory committee formed by the Trustees shall be, in so far as is reasonably possible, representative of the bargaining representatives of individuals covered in the relevant Pool. Notwithstanding anything to the contrary in this Section 4.8, the Trustees shall create a labor-management committee to advise it on certain matters as required by law.

4.9 **Authority of Board of Trustees.** The Trustees, with due consideration given to recommendations submitted by any advisory committee which may be established, shall, unless otherwise expressly agreed, retain final authority in all matters relative to this Agreement and to the Group Employee Benefits and Other Financial and Risk Management Services subject to this Agreement, provided, however, that nothing in this Agreement shall permit the Trustees to enter into a Group Contract on behalf of a Participant Member, and that, subject to any applicable notice rules, nothing in this Agreement shall prevent a Participant Member from withdrawing from this Agreement, any Group Employee Benefit, or any Other Financial and Risk Management Service.

4.10 **Liability Limited.** The Trustees, its authorized representatives, employees and designees shall have no duty or liability to any of the Participant Members or Providers with respect to the fees, premiums and/or contract charges, offers, acceptances or binders of coverage, cancellation notices, or other matters relating to a Participant Member's subscribers, all of which shall be the responsibility of the Participant Member. The Trustees, its authorized representatives, employees and designees, and each Participant Member shall have no duty or liability due to negligence of other Participant Members and Providers. When it is not exercising the joint powers authorized by this Agreement (and therefore not acting as the Trustees), the Trustees shall have no duty or obligation whatsoever to act for the benefit of Participant Members (as Participant Members).

4.11 **Withdrawal by Board of Trustees.** The undertakings for the provision of Group Employee Benefits in this Agreement may be terminated by the Trustees or the SC (as applicable) at any time.

SECTION 5: RIGHTS AND RESPONSIBILITIES OF PARTICIPANT MEMBERS

5.1 **Enrollment and Renewal.** Participant Members may elect whether to participate in any Group Employee Benefit and any Other Financial and Risk Management Service made available by the Trustees. If a Participant Member elects to participate in a Group Employee Benefit or Other Financial or Risk Management Service, the Participant Member must execute any applicable Group Contract, Group Contract Amendment, enrollment and renewal documents directly with the Provider.

5.2 **Participant Members to Furnish Data.** Each Participant Member agrees to furnish all reasonably necessary employee data directly to the SC or its designee.

5.3 **Remittance of Premiums and Contract Charges.** The Participant Member shall remit premiums and/or contract charges in the time and manner as from time to time determined by the Trustees.

5.4 **CBA Employee Benefits.** Each Participant Member that participates in CBA Employee Benefits shall be solely responsible for the collective bargaining of such benefits, and for providing any notices regarding CBA Employee Benefits, including, without limitation, the obligation to notify certain representatives regarding the adoption of a self-insured health benefit plan set forth in Minn. Stat. 471.617, Subd. 4.

5.5 **Participant Member Withdrawal.**

- i. **Voluntary Withdrawal.** At any time during a year, (but at least (5) months prior to renewal), a Participant Member may terminate its participation in this Agreement or in a Pool upon one hundred fifty- three (153) days written notice to the Trustees and to all Providers of programs in which it participates.
 - a. In non-leap years, written notice would be due August 1 for groups renewing on January 1 and February 1 for groups renewing on July 1.
 - b. Voluntary withdrawal within (5) months of renewal may result in a financial penalty including, but not limited to, the amount billed to NJPA for administrative services, beyond the termination date and charged by the appropriate provider.
- ii. **Withdrawal Relating to Participant Member Rate Solicitation.** Participant Members are allowed to solicit bids and other information from competing sources of health coverage at any time other than within five months prior to the end of the contract period if so permitted by the relevant laws, rules and regulations. Risk Management Pool members are allowed, to the extent permitted by law, to solicit bids and indicate their intent to withdraw at least one hundred and fifty three (153) days prior to the next renewal date.
 - a. In non-leap years, written notice would be due August 1 for groups renewing on January 1 and February 1 for groups renewing on July 1.
- iii. **Withdrawal Relating to Dual Offering.** If a Participant Member offers Group Employee Benefits through an additional or different plan which, in the discretion of the Trustees, are considered to be substantially similar to those provided by a Pool in which the Participant Member participates, then the Trustees retains the right to deem that such Participant Member has withdrawn from the pool.
- iv. **Withdrawal at Annual Renewal.** If a material change in any term or condition of a Group Employee Benefit or Other Financial or Risk Management Service in which a Participant Member participates is proposed to commence as of the Participant Member's annual renewal date, the Participant Member may withdraw from the applicable Pool as of the renewal date, provided the Participant Member gives advance written notice of its intent to withdraw promptly (within 30 days) after receiving notice of the material change, even if such notice is given less than 120 days in advance of the renewal date.
- v. **Applicable Laws.** Participant Members are responsible for adhering to all applicable laws, rules and regulations, including those relating to bid frequency and timing, when initiating a voluntary withdrawal.

5.6 **Effect of Participant Member Withdrawal.** Upon a Participant Member's withdrawal or deemed withdrawal from this Agreement or from a Pool, the following rules shall apply:

- i. **Withdrawal from this Agreement.** Upon its withdrawal from this Agreement, a Participant Member shall be deemed to have withdrawn from all Pools maintained under this Agreement in which the Participant Member is participating at the time of such withdrawal. If a Participant Member no longer participates in any Pool, the Participant

Member shall be deemed to have withdrawn from this Agreement, as well as from the applicable Pool(s).

- ii. **Withdrawal from a Pool.** Withdrawal by a Participant Member from any Pool shall not affect the Participant Member's participation in any other Pool.
- iii. **Program Funds.** No Program Funds or any other amounts that may, in any way, be attributable to a Participant Member's participation in a Pool shall be returned to the Participant Member in the event such Participant Member's participation in the Pool ends prior to the Pool's termination.
- iv. **Future Participation Limited.** If a Participant Member withdraws or is deemed by the Trustees to have withdrawn from a Pool, such Participant Member's participation in such Pool shall be prohibited for a period of twelve (12) months from the date of such withdrawal or deemed withdrawal. If a Participant Member withdraws or is deemed by the Trustees to have withdrawn from this Agreement, such Participant Member's participation in this Agreement (and any Pool offered hereunder) shall be prohibited for a period of twelve (12) months from the date of such withdrawal or deemed withdrawal.

SECTION 6: PROGRAM FUNDS ADMINISTRATION

6.1 **Program Funds.** It is understood and agreed that, in connection with the Group Employee Benefits and Other Financial and Risk Management Services made available pursuant to this Agreement, the Trustees may acquire Program Funds. The Trustees may, in its discretion, establish and maintain separate accounts for specified portions of the Program Funds, and may designate specific purposes, such as the payment and financing of Group Employee Benefits or the stabilization of the cost of such benefits, for which the amounts credited to such accounts shall be used, but it shall not be required to do so.

6.2 **General Rules Regarding Management and Disposition of Program Funds.** Program Funds shall be used solely for the purposes of providing Group Employee Benefits and Other Financial and Risk Management Services, providing related services, defraying the reasonable expenses of administering such benefits and services, and, if the Trustees determine that such use would either directly or indirectly benefit Participant Members (e.g., by spreading risk, achieving economies of scale, generating revenues or enhancing the Trustees' ability to negotiate with Providers as a result of the Trustees' visibility, presence in the marketplace or enhanced expertise), establishing, providing and administering similar benefits and services offered by the joint action of other governmental units. Program Funds shall not inure to the benefit of the Trustees; this prohibition shall not, however, prohibit the payment of service fees to an SC as provided below. Subject to the foregoing, the Trustees, in its sole discretion, shall determine the management and disposition of the Program Funds. The Trustees may consider Advisory Committee recommendations regarding the use of Program Funds before any determinations are made. Funds may only be used for the purposes of managing and maintaining the pool. Acceptable uses include, but are not limited to, the following:

- i. to negotiate the purchase of, administer, provide and maintain (either directly or through the purchase of insurance, or both) Group Employee Benefits (including, but not limited to programs related to the purpose for which the Fund was created, such as, for example, in the case of a Health Pool, an Employee Assistance Program (EAP) and Wellness Program) and Other Financial and Risk Management Services;

- ii. to pay or provide for the payment of reasonable and necessary expenses of administering Group Employee Benefits and Other Financial and Risk Management Services including, without limitation, all expenses which may be incurred in connection with the establishment and administration of Pools, the employment of administrative, legal, accounting, other expert and clerical assistance, the leasing of such premises and the purchase of lease materials, supplies, equipment, and liability and property insurance;
- iii. to establish and accumulate funds deemed adequate by the Trustees to carry out the purpose of the Pools, for example, for purposes of rate stability and risk reserve;
- iv. to pay any federal, state or local income, employment, death or other tax which may be properly imposed on or levied against Group Employee Benefit, Other Financial and Risk Management Service, a Pool, or on benefits paid therefrom;
- v. to pay for any bond and to pay the premiums on any insurance purchased by a Pool, including, but not limited to liability insurance, “stop loss” insurance and other insurance intended to pay directly or indirectly the benefits established with respect to a Pool; and
- vi. to pay the SC any service fee payable to it pursuant to, or authorized pursuant to, this Agreement.

6.3 Investment of Program Funds. Program Funds shall be held and invested in a manner that is consistent with any applicable legal requirements regarding the holding and investment of funds by the Participant Members who are governmental units within the meaning of Minn. Stat. 471.59.

6.4 Withdrawal of Participant Member. In the event of the withdrawal of a Participant Member prior to the termination of this Agreement or of a Pool, Program Funds attributable to contributions of such Participant Member shall not be returned to such Participant Member.

6.5 Termination of Pool. In the event of termination of a Pool, any portion of the Program Funds that has been designated for use solely in connection with the terminating Pool, and any other portion allocated to the terminating Pool by the Trustees in its sole discretion, shall be distributed to the Pool Participant Members in a manner to be determined by the Trustees, which may include the following:

- i. payment of benefits to or on behalf of enrolled employees with respect to claims arising prior to such termination;
- ii. provision of similar benefits for such employees;
- iii. payment of reasonable and necessary expenses incurred in such termination.
- iv. payment of taxes; and
- v. cash payments to Participant Members according to a formula established by the Trustees and adopted in the by-laws.

Upon such termination, the Trustees shall continue to serve for such period of time and to the extent necessary to carry out the directions of the preceding sentence. The Participant Members who receive such distributions shall be solely responsible for determining whether, and to what extent, any amounts they receive will be distributed to individuals who were covered by benefit programs provided by the terminating Pool.

6.6 **Funding of Risk.** Premiums may be adjusted, but no retroactive assessment shall be made without consent and agreement by the affected Participant Members. Subject to their obligation to provide accurate information regarding the individuals who will receive benefits from a Pool, no Participant Member or its employees shall bear any financial risk other than the agreed upon premium.

**SECTION 7:
LENGTH OF AGREEMENT AND TERMINATION**

Pursuant to Minn. Stat. 471.59, Subd. 4, but subject to the provisions herein relating to Participant Member withdrawal, this Agreement shall be ongoing.

**SECTION 8:
LIABILITY OF PARTIES**

Any Participant Member to this Agreement holds the Trustees and its employees and its designees, and the SC and its Board, employees and designees, harmless from any and all causes of action arising at law or in equity unless such action shall arise from its or their gross negligence and is permitted, after application of all doctrines and statutes respecting immunity, by applicable law. The parties agree to waive any rights to litigation from any dispute arising out of this Agreement unless such action is the result of intentional wrongdoing. All benefits hereunder are the sole responsibility of the Provider (s) and the Participant Members, and shall not be the responsibility of the Trustees or the SC.

**SECTION 9:
AGREEMENT BY PARTICIPATION**

Any governmental unit which participates in any of the Group Employee Benefits or Other Financial and Risk Management Services and remits premium and/or contract charges in accordance with this Agreement, shall be deemed to have approved this Agreement and, in the case of an eligible governmental unit, to have executed this Agreement by its duly authorized officers, and shall be bound by the terms and conditions of this Agreement to the same extent as if such formal approval had been obtained and such execution had occurred.

Pursuant to all applicable state and federal laws, this Agreement has been approved by the governing boards of the parties and is signed by the duly authorized officers of the parties.

PARTICIPANT MEMBER

SERVICE COOPERATIVE

Name of Organization

National Joint Powers Alliance

Name of Organization

Authorized signature

Authorized Signature

Name/Title

Name/Title

Date

Date