

## **EMPLOYEE BENEFIT PROGRAM CONSULTING SERVICES AGREEMENT**

**THIS AGREEMENT** is made and entered into this 1st day of July 2014, by and between the IOWA CITY COMMUNITY SCHOOL DISTRICT (the District) and TN RJLEE & ASSOCIATES, LC (RJLee).

**WHEREAS**, the District desires to receive professional consulting services for its Employee Benefit Program (the Program), including coverage for life, medical, dental, prescription drugs and, upon request, other benefit programs; and

**WHEREAS**, RJLee is engaged in the business of advising its clients on their benefit plan needs and procuring coverage on behalf of its clients as a consultant;

**THEREFORE**, RJLee desires to provide certain consulting services and the District desires to have RJLee provide such consulting services in accordance with the following terms.

### **I. TERM & TERMINATION**

#### **A. TERM**

THIS AGREEMENT SHALL BE EFFECTIVE FOR AN INITIAL TERM COMMENCING JULY 1, 2014 AND SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL JUNE 30, 2016. THEREAFTER, THIS AGREEMENT SHALL BE AUTOMATICALLY RENEWED FOR SUCCESSIVE ONE (1) YEAR TERMS UNTIL TERMINATED AS PROVIDED HEREIN. MODIFICATION OF THIS AGREEMENT MAY OCCUR AT ANY TIME, WITH THE MUTUAL CONSENT OF BOTH PARTIES. THE ANNUAL FEE CHARGED FOR CONSULTING SERVICES MAY BE CHANGED BY AMENDMENT UPON WRITTEN AGREEMENT BY BOTH PARTIES.

#### **B. TERMINATION**

Either party may terminate this Agreement with or without cause upon the conclusion of the initial term or the conclusion of any successive renewal term by providing thirty (90) days prior written notice and the notice shall specify the specific reasons for termination. In the event either party materially breaches this Agreement at any time, this Agreement shall terminate upon the failure of the breaching party to remedy the breach within thirty (30) days of receipt of written notice of the breach.

## **II. AGREEMENT**

### **A. OBLIGATIONS OF RJLEE & ASSOCIATES**

#### **1. Financial Reports**

RJLee will prepare regular financial and utilization reports, if requested (usually quarterly), analyzing claims experience, benefits paid, contributions, administrative expenses, and other relevant items that pertain to the plans, based on data that are available from the District and the carrier, and subject to the terms of the funding method in force and data available from the carrier.

#### **2. Consultation**

RJLee will be available for consultation on most aspects of the plan's operation, including claims, reserves and vendor performance, as well as the plan's overall progress and development.

RJLee is available to consult with the District's legal counsel and the plan administrator regarding changes to be made in the plan of benefits and eligibility for such benefits.

#### **3. Benefit Changes**

RJLee will provide advice and then take appropriate action as authorized by the District for implementing any benefit changes, including revision in premium and plan recordkeeping procedures, master policy certificates, and plan amendments or modifications.

#### **4. Service Vendor Negotiations**

As authorized by the District, RJLee will negotiate with the District's service vendors and related companies to obtain appropriate adjustments. In the event that a service vendor's proposed annual retention is not consistent with its projection or if the renewal action rates do not appear justified by claims experience or market conditions, we will attempt to obtain more favorable results for the plan. An annual renewal report will be prepared for the District.

#### **5. Self-Insured Benefits**

For all benefits self-funded by the District, RJLee will calculate the appropriate reserve. Claims trend factors to be taken into account from a sound planning and policy point of view. We will negotiate with the third

party administrator and reinsurance company to obtain more favorable results for the plan to reduce non-recoverable costs.

6. COBRA

RJLee will review the rates charged for COBRA continuation coverage.

7. Communication with Participants

RJLee will be available for consultation with the District, legal counsel and/or the plan administrator to assist in drafting notices to plan participants about plan or administrative changes. RJLee also will review all policies and amendments drafted by the District's administrator or insurer.

8. Administrative Support

RJLee shall continue to be available for consultation with the plan administrator/insurer, as requested, with regard to routine changes in forms and procedures, as well as general recordkeeping. Compliance with the recordkeeping requirements of laws and regulations are matters subject to the advice of legal counsel and the District. However, RJLee shall be available for consultation in this regard from a non-legal standpoint.

RJLee will be available for consultation and will assist in preparation of meeting agendas to aid the District in reaching decisions that arise in the course of plan operation, or that flow from quarterly reports, plan design or administration questions, national and industry trends, or public policy.

9. Coordination with Other Professional Advisors

RJLee will, as appropriate, coordinate efforts with those of legal counsel, the plan administrator and the auditor, regarding policy matters of interest to the District and the efficient operation of the plans.

10. Legislation, Benefits, Plan Design

RJLee shall continue to keep the District apprised of new developments in the employee benefits field that may bear upon the District's planning and policy decisions as RJLee becomes aware of them. Questions on the interpretation and application of laws, regulations, rulings and court decisions are legal matters, subject to legal counsel's advice.

## 11. Meetings

RJLee will attend up to ten (10) meetings per contract year with the District as requested. Between meetings, RJLee is continually available for consultation by phone, fax, email or mail with the District, plan administrator and the plan's other professional advisors. Costs of attendance at additional meetings will be billed based upon actual time and travel expense.

### Other Supplemental Services

The preceding list of services describes the matters that regularly arise in the course of the plan's annual operations that call for general consulting services. However, it is difficult to predict in advance whether the District's plan will be involved in complicated, time consuming special problems and, if so, to what extent.

If our assistance involves services which are beyond our regular services, then we would provide such services outside the scope of this retainer. If, on the other hand, the work requires the expenditure of time not anticipated within this retainer, we will proceed only after consultation with the District. Our compensation for such agree upon supplementary services will be based on our regular time-charge rates. Some examples of supplementary consulting services that might be required by the plan include:

1. Support for litigation, law suits or arbitration
2. Drafting revised Summary Plan Descriptions or plan documents, subject to legal counsel's and the District's approval
3. Services involving special claims audits; and/or
4. Conducting a Request for Proposal process (Proposed in Addendum B as attached).

## **B. OBLIGATIONS OF THE DISTRICT**

1. RJLee shall be compensated for consulting services related to the District's plan an annual amount of \$20,000.00 plus travel expenses for the period July 1, 2014 through June 30, 2016. Billings will be submitted quarterly in the amount of \$5,000.00 per quarter plus any travel expenses. Consulting Services are based on the attached Addendum A.

2. It is understood both by the District and by RJLee that RJLee receives no compensation from any source other than the District for providing consulting services to the District.

3. The District agrees to provide RJLee with such financial and other records related to the plan so as to allow RJLee to prepare accurate and timely reports concerning the plan's operations.

## **C. MUTUAL OBLIGATIONS**

### **1. Ownership of Records and Documents**

All books, records, lists of names, journals, ledgers and other recorded information developed specifically in connection with the administration of the District shall always be and remain the property of the District. However, any information, data or products that are proprietary to RJLee shall remain the property of RJLee.

RJLee agrees to keep all such material confidential and not to reproduce, disclose or disseminate the material or the information contained therein to third parties without the prior written consent of the District. Upon termination of this Agreement for any reason, RJLee shall immediately return all such material and any copies thereof to the District.

### **2. Waiver of Nonperformance**

No waiver of any default in performance on the part of RJLee or like waiver by the District or any breach or a series of breaches of any of the terms, covenants or conditions of this Agreement shall constitute a waiver of any subsequent breach or a waiver of said terms, covenants or conditions. Resort to any remedies referred to herein shall not be construed as a waiver of any other rights and remedies to which either party is entitled under this Agreement or otherwise.

### **3. Partial Invalidity**

Should any part of this Agreement, for any reason, be declared invalid by a court of competent jurisdiction, the remaining portion shall remain in full force and effect as if this Agreement had been executed without the invalid portion.

### **4. Governing Law**

The validity, interpretation and performance of this Agreement shall be controlled and construed according to the internal laws of the State of Iowa.

5. Successors

This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in the interest of the parties hereto.

6. Entire Agreement, Modification or Amendment

This Agreement represents the entire and exclusive statement of the agreement of the parties and may be modified or amended only by a written statement signed by both parties. Such modification or amendment shall be attached to, and shall thereupon become a part of this Agreement.

7. Headings

Headings herein are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

8. Practice of Law

It is understood and agreed that RJLee will not perform, and the District will not request, performance of any services which may constitute the unauthorized practice of law.

9. Counterparts

This Agreement may be executed by the parties in several counterparts, each of which shall be deemed to be an original copy.

10. Subcontracting

RJLee will not subcontract any or all of the services required to be performed hereunder without the written consent of the District.

11. Confidentiality

Both parties agree to maintain confidentiality. Both parties acknowledge that certain material, which will come into its possession or knowledge in connection with this Agreement, may include confidential information, disclosure of which to third parties may be damaging to the other party. Both parties agree to hold all such material in confidence, to use it only in connection with performance under this Agreement and to release it only to those persons requiring access thereto for such performance or as may otherwise be required by law.

12. Liability

Neither party hereto shall be liable for defending or for the expense of defending the other party, its agent, or employees, against any claim, legal action, dispute resolution or administrative or regulatory proceeding arising out of or related to such other party's actions or omissions under this Agreement. Neither party hereto shall be liable for any liability of the other party, its agents, or employees, whether resulting from judgment, settlement, award, fine nor otherwise, which arises out of such other party's actions or omissions under this Agreement. This provision shall survive the termination of this Agreement.

13. Indemnification

Each party agrees to indemnify, defend and hold harmless the other, its agents and employees from and against any and all liability or expense, including defense costs and legal fees, incurred in connection with claims for damages of any nature, including but not limited to bodily injury, death, personal injury, property damage, or other damages arising from the performance of or failure to perform, its obligations under this Agreement, unless it is determined that the liability was the direct consequence of negligence or willful misconduct on the part of the other party, its agents or employees. This provision shall survive the termination of this Agreement.

14. Access to Books and Records

Both parties will maintain records relating to its responsibilities under this Agreement for a period of one year from the date of services. During normal working hours and upon prior written and reasonable notice, both parties will allow the other party reasonable access to such records for audit purposes and also the right to make photocopies of such records (at requesting party's expense), subject to all applicable state and federal laws and regulations governing the confidentiality of such records.

15. Notices


All notices given by any party under this Agreement shall be in writing and properly addressed to such party as follows:

Iowa City Community School District  
Chief Financial Officer  
1725 North Dodge Street  
Iowa City IA 52245

TN RJLee & Associates, LC  
Timothy M. Kearns, Partner  
1700 52<sup>nd</sup> Avenue Suite B  
Moline IL 61265-6378

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above.

**IOWA CITY COMMUNITY SCHOOL DISTRICT**


  
\_\_\_\_\_  
Signature

7/9/14  
\_\_\_\_\_  
Date

Chris Lynch  
\_\_\_\_\_  
Printed

ICCSB Board President  
\_\_\_\_\_  
Title

**TN RJLEE & ASSOCIATES, LC**

  
\_\_\_\_\_  
Signature

June 20, 2014  
\_\_\_\_\_  
Date

Timothy M. Kearns  
\_\_\_\_\_  
Printed

Partner  
\_\_\_\_\_  
Title



## **Addendum A**

### **Services Provided**

**Following is a summary of the Health Benefits Consulting Services provided to the Plan:**

- **Analysis of the provisions and impact of the Patient Protection and Affordable Care Act (Healthcare Reform)**
- **Annual, Quarterly and Monthly financial analysis and data analysis**
- **Analysis of renewal actions and negotiations with vendors**
- **Review of vendor performance**
- **Management of request for proposal processes**
- **Resolution of problem claim issues**
- **Provision of information concerning state and/or federal legislative action that could affect the Plan as we become aware of it**
- **Maintenance of listing of required notices and frequency of participant notification**
- **Analysis of impact on Plan costs of various design and eligibility changes**
- **Attendance at all meetings of the Health Insurance Committee and Board of Education meetings as requested**
- **Assistance with special meetings and events as needed**
- **Assistance with audits as requested**
- **Assistance with compliance with federal rules/regulations for programs such as COBRA, HIPAA and USERRA**
- **Drafting of plan amendments to the plan document**
- **Drafting of employee communication pieces**

## **Addendum B**

### **Marketplace Evaluation (Request for Proposals)**

If the District wishes to seek competitive proposals for comparison with the current plan during the term of this agreement, we propose an additional fee for a marketplace evaluation of the medical and dental plans.

*RJLee* is experienced in all phases of conducting marketplace evaluations. We propose to coordinate this process for the District, providing you with a comprehensive analysis of proposals received. All proposals received will be net of agent or broker commission, and will be sent directly only to service vendors. We always have had a policy of not accepting any compensation from any source other than our clients to ensure that our only concern is our clients' satisfaction. Recent legal action involving major insurance brokerage houses reinforces our belief that fee-based consulting is the best approach for our clients.

A summary of steps included in a marketplace evaluation follows:

- Collection of additional data as necessary;
- Preparation of specifications (we utilize as a basis our copyrighted specifications which are tailored to the specific needs of each client);
- Response to questions during the time period allowed for potential bidders to submit questions;
- Preparation of the analysis of proposals;
- Facilitation of selection of candidates to be interviewed;
- Coordination of a "best and final offer" process if desired by the District;
- Assistance in the transition process if a new vendor(s) is selected;
- Review of plan documents, administration contracts and other documents involved in the transition; and
- Assistance in the transfer of information from the current vendor to the new vendor.

We will include in this process a review of managed care networks, utilization review/case management, and managed prescription drug plans. Other benefit programs can be included if desired by the District. The evaluation will be based upon a self-funded plan. If the District chooses, we also can review insured options. In addition, if you would like to review consumer driven plan options, we

can include them. These would include Section 125 benefits, cafeteria plans, Health Reimbursement Arrangements (HRAs) and Health Savings Accounts (HSAs).

A sample timeline for a Marketplace Evaluation based on a April1, plan year effective date is:

November 1, 201x	Requests sent to potential respondents
Early January 201x	Proposals due
Mid January 201x	Analysis/report to the District
Early February 201x	Interviews of Finalists
Mid-February 201x	"Best and Final" offers due from finalists
Late February 201x	Selection of vendor(s)
March-April 201x	Transition (if necessary)

Fee for Marketplace Evaluation (Request for Proposals)	\$ 8,000
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