

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF APPLETON AND
APPLETON HOUSING AUTHORITY
FOR PROVISION OF, AND REIMBURSEMENT FOR,
CERTAIN INSURANCE BENEFITS**

THIS AGREEMENT, for good and valuable consideration, is made on the date entered hereunder, by and between the City of Appleton, a municipal corporation, also referred to herein as the “City”, and the Appleton Housing Authority, a separate body politic created pursuant to Wisconsin Statutes, hereinafter referred to as “AHA”.

DEFINITIONS

The following terms shall have the following meanings:

AHA: The Appleton Housing Authority, a separate body politic created pursuant to Wisconsin Statutes by the Appleton Common Council for the purpose of providing housing options for low and moderate income households, with business offices located at 925 West Northland Avenue, Appleton, WI 54914.

City: The City of Appleton, a Wisconsin municipal corporation, with business offices located at 100 North Appleton Street, Appleton, WI 54911.

HRA: Health Reimbursement Account. An account funded by the employer for the purpose of reimbursing employees for medical expenses not otherwise covered by insurance.

LTD: Long Term Disability. A policy of insurance for providing benefits for an employee who is unable to work for an extended period of time.

SPD: Summary Plan Description. A document that explains the fundamental features of an employer's health plan benefits, including eligibility requirements, coverage, limitations, exclusions and the like.

WITNESSETH:

Whereas, following the creation of the AHA, the City and the AHA have a long cooperative relationship that has included extending eligibility to AHA employees to participate in the City’s medical, dental, life and long-term disability insurance and HRA plans (hereafter collectively “the plans”); and,

Whereas, in exchange for AHA employees’ participation in the plans, AHA agrees to reimburse the City for the cost of such participation; and,

Whereas, both the City and AHA wish to continue with this cooperative arrangement subject to certain terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants, promises, conditions and agreements hereinafter set forth and for other good and valuable consideration, it is agreed by and between the parties hereto as follows:

1.0 TERM

- 1.1 This agreement shall have a term that commences upon execution of this agreement by all parties and expires on December 31, 2020.
- 1.2 This agreement shall automatically renew for additional two-year terms subject to Common Council review.
- 1.3 Either party may cancel this agreement at any time, with or without cause, upon first providing no less than ninety (90) days written notice to the other party.

2.0 INSURANCE AND BENEFITS PROVIDED

- 2.1 The City shall allow employees of AHA eligibility to participate in the medical, dental, life and long-term disability insurance plans offered to City employees subject to the following:
 - 2.1.1 AHA shall align all eligibility and termination language in its benefit policies, employee handbook or the like with the City's SPD including, but not limited to items such as waiting periods, dates of termination and the like.
 - 2.1.2 AHA shall notify the City within five (5) days of its hiring or termination of an employee or any other status change that affects coverage, eligibility and the like under any of the insurance plans.
 - 2.1.3 AHA shall comply with the City's COBRA coverage provisions and notify the City of any AHA employee who becomes responsible for paying the full premium of their medical insurance as a result of a leave of absence or termination of employment. Notice shall be provided within ten (10) days of the commencement of leave or termination of employment. Should AHA fail to timely notify the City of a circumstance in which continued coverage pursuant to COBRA is applicable, AHA shall be solely liable for any benefits payable in that situation.

- 2.1.4 AHA shall charge its employees who elect to participate in any of the medical plans offered at least the same level of premium that regular non-represented City employees are charged to participate in each plan.
- 2.1.5 AHA shall reimburse the City for plan costs as follows:
 - 2.1.5.1 For medical and dental plans, AHA shall pay the City the COBRA rates plus any applicable Health Care Reform (HCR) fees;
 - 2.1.5.2 For life and LTD plans, AHA shall pay the City its actual premium expenses including associated provider charges.
 - 2.1.5.3 For HRAs, AHA shall fully reimburse the City for the City's funding of the HRAs at City established funding levels.
- 2.1.6 The process by which AHA will reimburse the City shall be as follows:
 - 2.1.6.1 On a monthly basis, the City shall provide AHA with an invoice of AHA plan costs incurred by the City. AHA shall pay the invoice within 28 days of its issuance to avoid potential interest charges and late fees.
- 2.2 In addition to the foregoing, the parties further agree:
 - 2.2.1 AHA will be responsible for establishing its own Health Savings Accounts (HSA) and shall be solely responsible for funding said HSAs.
 - 2.2.2 AHA employees shall only be eligible for medical and dental plans at retirement or termination of employment based on COBRA continuation regulations.
 - 2.2.3 That if the City's stop loss carrier declines to extend its stop loss coverage to AHA, or if the City's stop loss carrier applies a higher specific deductible on an individual greater than all other members in the City's plan due to significant expected medical claims (known as a laser) regarding an employee of the AHA, the City shall have the right to terminate this agreement upon providing AHA no less than sixty (60) days' written notice of the termination.
 - 2.2.4 In the event the stop loss carrier declines to extend coverage to an AHA employee due to late enrollment, that AHA employee shall not be eligible for the City's medical or dental plan under this agreement until the next regular plan enrollment period when stop loss coverage is also provided.

3.0 **OTHER TERMS AND CONDITIONS**

3.1 **INDEMNIFICATION:** AHA, ON BEHALF OF ITSELF, ITS OFFICERS, OFFICIALS, EMPLOYEES, AGENTS AND THE LIKE AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY AND ITS OFFICERS, OFFICIALS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, DAMAGE, EXPENSES, COSTS (INCLUDING ATTORNEY'S FEES) ARISING OUT OF THIS AGREEMENT EXCEPT WHERE CAUSED BY THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY.

THE UNDERSIGNED HAS READ AND THOROUGHLY CONSIDERED THE ABOVE, UNDERSTANDING THAT CERTAIN RIGHTS MAY BE FORFEITED AS A RESULT OF THIS LANGUAGE.

3.2 **TAXES AND ASSESSMENTS:**

3.2.1 The City and AHA shall each be responsible for tax liabilities and IRS reporting requirements as they relate to their individual employees including, but not limited to, those requirements that are imposed under Health Care Reform (HCR).

3.2.2 The City reserves to the right to evaluate the financial impact of HCR regulations on this Agreement as those regulations take effect; and, AHA agrees to reimburse the City for additional costs resulting from HCR regulations as such costs relate to AHA employees' plans.

3.3 **TAX REPORTING:**

3.3.1 AHA agrees to provide the City with any information maintained by AHA that is necessary for the City to comply with any HCR reporting requirements.

3.4 **MODIFICATIONS TO THIS AGREEMENT MUST BE IN WRITING:** None of the covenants, provisions, terms or conditions of this Agreement to be kept or performed by the City or AHA shall be in any manner modified, waived, or abandoned, except by written instrument duly signed by both parties and delivered to the City and AHA. This Contract contains the whole agreement of the parties.

3.5 **NON-DISCRIMINATION-AHA'S HIRING PRACTICES:** AHA agrees to abide by hiring practices that shall not in any fashion discriminate against any individual because of race, religion, marital status, age, color, sex, handicap, national origin or ancestry, income level or source of income, arrest record or conviction record,

less than honorable discharge, physical appearance, sexual orientation, political beliefs, or student status.

3.6 **SEVERABILITY:** In the event that any part of this Agreement is found to be illegal, it shall be stricken from the Agreement and the Agreement interpreted as if the stricken clause did not exist.

3.7 **NOTICE PROCEDURE:** Notices required pursuant to this Contract shall, whenever practicable, be served in person or, alternatively, mailed by Certified Mail with Return Receipt in which case the date of mailing shall be considered the date notice is given. Notices to the City shall be sent in duplicate to the Human Resources Director and to the City Attorney, 100 North Appleton Street, Appleton, WI 54911. Notices to AHA shall be sent to 925 West Northland Avenue, Appleton, WI 54914.

IN WITNESS WHEREOF, the parties hereto set their hands and seals this ____ day of December, 2018, at Appleton, Wisconsin.

APPLETON HOUSING AUTHORITY

Witness: _____
Printed Name: _____

By: _____
Printed Name: _____
Title: _____

CITY OF APPLETON

Witness: _____
Printed Name: _____

By: _____
Timothy M. Hanna, Mayor

Witness: _____
Printed Name: _____

By: _____
Kami Lynch, City Clerk

Provision has been made to pay the liability that will accrue under this contract.

Approved as to form:

Anthony D. Saucerman, Director of Finance
City Law A18-0844

James P. Walsh, City Attorney