



**EPHRAIM CITY COUNCIL
WORK MEETING AGENDA
Council Chambers – Ephraim City Hall
5 South Main, Ephraim, Utah
Wednesday, March 18, 2015
5:30 PM**

CALL TO ORDER

ROLL CALL

I. DISCUSSION AGENDA

A. Agenda Review

ADJOURNMENT

In Accordance with the Americans with Disabilities Act (ADA) this facility is wheelchair accessible and handicap parking is available. Request for accommodations and interpretive services must be made three (3) working days prior to the meeting. Please contact the city office at 283-4631 for information or assistance.

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted this 3rd day of March, 2015. A copy was also provided to the local media and posted on the Utah State website.

LEIGH ANN WARNOCK
EPHRAIM CITY RECORDER



**EPHRAIM CITY COUNCIL
REGULAR MEETING AGENDA
Council Chambers – Ephraim City Hall
5 South Main, Ephraim, Utah
Wednesday, March 18, 2015
6:00 PM**

CALL TO ORDER

OPENING CEREMONY

The Ephraim City Council invites any community organization, church, or individual resident to present a thought, reading, or invocation in the opening ceremony portion of the public meeting. Those wishing to participate in an Opening Ceremony should contact the City Recorder by the Friday morning preceding the meeting. City Council meetings are held the first and third Wednesdays of each month.

ROLL CALL

PUBLIC COMMENT

Members of the public may address the City Council on matters not listed on the agenda. Those interested should fill out a public comments form to be given to the Mayor prior to the meeting. Each individual will have five minutes to address the Council and may submit documents outlining their issue. The Council cannot take legal action on public comment at this time. At the conclusion of each Public Comment, the Council may respond to criticism made by those who have addressed them, may ask staff to review a matter or may ask that a matter be placed on a future agenda. All City Council meetings are recorded.

I. PRESENTATIONS

A. GRANARY ART CENTER PRESENTATION

II. MOTION AGENDA

A. Approval of the March 17, 2015 Warrant Register

B. Approval of the Minutes of the following City Council Meetings: **PAGE**

- | | |
|---|---|
| 1. March 4, 2015 Work Meeting | 5 |
| 2. March 4, 2015 Regular City Council Meeting | 7 |

C. Approval of Staff Recommendations:

- | | |
|-------------------|----|
| 1. Contract: PEHP | 11 |
|-------------------|----|

Authorize the execution of the Employer Health Insurance Agreement between Ephraim City and Utah Retirement System's Public Employees' Health Program.
(Brant Hanson)

- | | |
|--------------------|----|
| 2. Contract: ALSCO | 36 |
|--------------------|----|

Authorize the execution of contract with ALSCO to continue service for the maintenance of the floor mats at the Library.
(Brant Hanson)

III. APPOINTMENTS AND COUNCIL REPORTS

Discussion and possible action on the following items:

A. Appointments

B. Council Reports

1. City Council may report on meetings/events attended and issues discussed in meetings/events attended by a Councilmember in their official capacity as the City's representative.
2. City Council questions regarding the update must be limited solely for clarification purposes. If further discussion is warranted, the issue will be added to a future agenda for a detailed briefing.

3. City Council request for agenda items to be placed on future Council Meeting agendas.

IV. DEPARTMENT REPORTS

Department Heads and Administration have an opportunity to report.

V. SUMMARY OF CURRENT EVENTS

This is the City Manager's opportunity to give notice to the City Council of current events impacting the City. Comments are intended to be informational only and no discussion, deliberation or decision will occur on this item.

VI. CLOSED SESSION

The Council may vote to discuss certain matters in Closed Session pursuant to Utah Code annotated 52-4-5 and will determine if any action should be taken from items discussed during the Closed Session at that time.

ADJOURNMENT

From time to time, matters are discussed by the City Council that do not appear on the posted agenda. Items that require/request action taken by the City Council will appear in the posted agenda. Submitted Action Items for the Council agenda must be received by the City Recorder's office by the Friday prior to the Council meeting and should be accompanied by any and all supporting written documentation. Without such documentation, the recorder reserves the right to postpone the hearing of any item until such documentation has been submitted.

In Accordance with the Americans with Disabilities Act (ADA) this facility is wheelchair accessible and handicap parking is available. Request for accommodations and interpretive services must be made three (3) working days prior to the meeting. Please contact the city office at 283-4631 for information or assistance.

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted this 17th day of March, 2015. A copy was also provided to the local media and posted on the Utah State website.

LEIGH ANN WARNOCK
EPHRAIM CITY RECORDER

WORK MEETING MINUTES
CITY COUNCIL
CITY COUNCIL CHAMBERS, EPHRAIM CITY HALL
5 SOUTH MAIN, EPHRAIM, UTAH
MARCH 4, 2015
5:30 PM

CALL TO ORDER

The Ephraim City Council convened in a work meeting on Wednesday, March 4, 2014, in the City Council Room. Mayor Pro Tem John Scott called the meeting to order at 5:30 p.m.

ROLL CALL

MEMBERS PRESENT

John Scott, Mayor Pro Tem
Tyler Alder
Margie Anderson
Terry Lund

STAFF PRESENT

Brant Hanson, City Manager
Bryan Kimball, City Planner
Leigh Ann Warnock, City Recorder
Steve Widmer, Financial Director
Chad Parry, Public Works Director
Cory Daniels, Power Director

MEMBERS EXCUSED

Richard Squire, Mayor
Alma Lund

STAFF EXCUSED

Ron Rasmussen

I. DISCUSSION AGENDA

A. AGENDA REVIEW

LEXIPOL AGREEMENT

Brant led a discussion regarding the LexiPol software that will help with the Police Department policies and procedures and will offer some training for the officers. The Fire Department could tag onto this for an added cost, but the Police Department has chosen to go with the program at this time.

LIBRARIAN POSITION

Two weeks ago Betsy Erickson resigned as Head Librarian. She has accepted a full job elsewhere with benefits.

Betsy was donating a lot of time to the City in her job as Head Librarian because there isn't enough time to do the job in 29½ hours. The concern now is being able to hold onto a Head Librarian for any length of time for the same reason. The library can continue to

operate at part time but will continue to see turnover with that. Approximately \$33,000 per year would be required from the City in added wages and benefits to make the position full time. Libraries aren't revenue generators, but they are important to the community. Eliminating one of the part time positions would contribute funding for this as well.

Brant spoke with President Carlston at the College to see if they would be interested in operating our library under their system. Discussions are still under way, but the drawback is the College library is focused on adults, and we are more focused on children.

Revenue has increased at the library since Betsy was hired. If the library had a stable, full time director, there would be more opportunity for grants.

Warrant Register Inquiries

- Javiation is Creamer and Noble, engineers for the airport
- Century Equipment Company is for the front bucket for the backhoe

Minutes Corrections

- Terry was listed as excused rather than Alma.

Moulton Deferred Sidewalk

Sidewalk is still not complete in front of the Moulton home in Danish Fields. We are waiting for Chris Jorgensen for a final decision on that. This agreement allows the Moulton's to move in, and with a five year delay and if the sidewalks are not put in by that time a lien will be placed on his property, which will run with the property from owner to owner. David Church is comfortable with the agreement.

ADJOURN

There being no further discussion, Councilmember Margie Anderson moved the work meeting adjourn. The motion was seconded by Councilmember Terry Lund. The vote was unanimous. The motion carried.

MINUTES APPROVED:

Mayor

Date

ATTEST:

City Recorder

Date

MINUTES
REGULAR CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS, EPHRAIM CITY HALL
5 SOUTH MAIN, EPHRAIM, UTAH
MARCH 4, 2015
6:00 PM

CALL TO ORDER

The Ephraim City Council convened in a Regular City Council Meeting on Wednesday, March 4, 2015, in the City Council Room. Mayor Pro Tem John Scott called the meeting to order at 6:00 p.m.

OPENING CEREMONY

Councilmember Terry Lund offered an opening prayer. Councilmember Margie Anderson led the audience in the Pledge of Allegiance.

ROLL CALL

MEMBERS PRESENT

John Scott, Mayor Pro Tem
Tyler Alder
Margie Anderson
Alma Lund

MEMBERS EXCUSED

Richard Squire, Mayor
Terry Lund

STAFF PRESENT

Brant Hanson, City Manager
Bryan Kimball, City Planner
Leigh Ann Warnock, City Recorder
Steve Widmer, Financial Director
Chad Parry, Public Works Director
Cory Daniels, Power Director

STAFF EXCUSED

Ron Rasmussen

PUBLIC COMMENT

No public comment presented.

I. MOTION AGENDA

A. APPROVAL OF WARRANT REGISTER

The Council reviewed the Warrant Register of March 3, 2015.

Tyler Alder moved to approve the March 3, 2015 Warrant Register as presented. The motion was seconded by Councilmember Margie Anderson. Voting “yes” Councilmembers Tyler Alder, Margie Anderson, Terry Lund, and John Scott. The vote was unanimous. The motion carried.

B. APPROVAL OF MINUTES

The Council reviewed the minutes of the February 18, 2015 City Council Work Meeting.

The Council reviewed the minutes of the February 18, 2015 regular City Council Meeting.

- Terry Lund was listed as absent, rather than Alma.

Councilmember Terry Lund moved to approve the February 18, 2015 Work Meeting and regular Council Meeting Minutes with correction. The motion was seconded by Councilmember Tyler Alder. A roll call vote was taken: voting “yes” Councilmembers Tyler Alder, Margie Anderson, Alma Lund, Terry Lund, and John Scott. The vote was unanimous. The motion carried.

II. RESOLUTION AGENDA

A. RESOLUTION ECR 15-02: EMPLOYEE CLASSIFICATION

A Resolution of policy of the Ephraim City Council classifying all elected officials as part-time employees. This is a new requirement of statutory rules governing Utah Retirement Systems.

Councilmember Tyler Alder moved to adopt ECR 15-02, a resolution of policy of the Ephraim City Council classifying all elected officials as part-time employees. The motion was seconded by Councilmember Margie Anderson. A roll call vote was taken: voting “yes” Councilmembers Tyler Alder, Margie Anderson, Terry Lund, and John Scott. The vote was unanimous. The motion carried.

Councilmember Tyler Alder moved to amend the ECR 15-02 to include the following language: Eligibility for retirement coverage under Utah Retirement Systems shall be administered in accordance with the statutory rules governing Utah Retirement Systems. The motion was seconded by Councilmember Margie Anderson. A roll call vote was taken: voting “yes” Councilmembers Tyler Alder, Margie Anderson, Terry Lund, and John Scott. The vote was unanimous. The motion carried.

Councilmember Terry Lund moved to approve ECR 15-02 as amended. The motion was seconded by Tyler Alder. A roll call vote was taken: voting “yes” Councilmembers Tyler Alder, Margie Anderson, Terry Lund, and John Scott. The vote was unanimous. The motion carried.

III. APPOINTMENTS AND COUNCIL REPORTS

Tyler Alder

Scandinavian Festival – Everybody is on track and they are working on the website.

Rec Board – The new Board is off to a good start. Basketball went really well. On the 18th of April T&R Sports wants to do a baseball/softball camp. John Scott commented the College may be using the fields on that day. The Rec Board will check on that. Signups will start on the 6th of March and run through April. Sanpete Track and Field will start on the 16th.

John Scott

Ambulance Association – Troy Sawyer, President of the Ambulance Association, reported they had 372 page-outs this past year. They are expecting the same next year. These are a dedicated group of people and Mr. Sawyer feels honored to work with them. He would like to see more EMT's and volunteers. "Equipment can get pricey, but we do what we can." They will be assisting Snow College with an activity later in the year.

IV. DEPARTMENT REPORTS

Betsy Erickson, Head Librarian, reported that circulation is down but thinks that is because when she first started Manti and Mt. Pleasant libraries were under construction and their patrons all came here. I also think e-readers are having an impact on circulation.

Libraries are still important; they are meeting places, and learning places, and places for story time, clubs, activities, writing classes, etc.

In the next five years, if you're not going to add on to the building, we might be able to start having our own e-reader licenses on books so people can just go to our website and download books to their devices. Some libraries are actually stocking Kindles to check out.

Bryan Kimball, City Planner

Main Street – Asked what we are looking at for business closures. In the contract they are allowed three days of pedestrian closure to pour concrete.

Sewer Project – they are getting really close to being finished. Equipment is coming in for the metering this week so in the next week or two it will be finished up.

Chad Parry, Public Works Director

CDLs – Utah is very strict with their requirements and we are required to keep those up.

WEA – They are like Rural Water but they are a national wastewater organization. Ephraim has been nominated for an award on our wastewater plant and they will be here on the 11th to tour our facility. It is down to us and Tooele as finalists.

Ice Rink – Talking about making the rink year round, allowing for roller skating in the summer. This will increase our liability insurance.

Steve Widmer, Financial Director

Budget – asked Department Heads to get their wish lists together and will start working on the new budget soon. Council will see the wish list and recommendations.

V. SUMMARY OF CURRENT EVENTS

Legal Services - We received the RFPs for legal services. The committee is now evaluating those responses. In about a month we will talk about those in Council Meeting to see where we want to go with that.

Compensation Study - Councilmember Scott is on the task force for evaluating this.

5K – Justin Osmond is sponsoring a 5K in May at the Canyon View Park for a good cause.

UAOA – Brant will be attending the Utah Airport Operator’s Conference next week and the following week he will be attending a mission farewell in California.

ADJOURNMENT

There being no further business to come before the Council for consideration, Councilmember Margie Anderson moved the Regular Council Meeting adjourn. The motion was seconded by Councilmember Tyler Alder. The vote was unanimous. The motion carried.

The next regular City Council meeting is scheduled to be held on March 18, 2015, starting at 6:00 p.m. in the Ephraim City Council room.

MINUTES APPROVED:

Mayor

Date

ATTEST:

City Recorder

Date



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

March 18, 2015

DEPARTMENT:

Administration

DIVISION:

- Motion
- Resolution
- Ordinance - Introduction
- Ordinance - Adoption
- Public Hearing

TITLE:

PEHP Contract

SUMMARY RECOMMENDATION:

Motion to approve the Employer Health Insurance Agreement between Ephraim City and Utah Retirement Systems Public Employee's Health Program for July 1, 2014 through June 30, 2015.

REPORT:

PEHP has sent us the 2014-2015 contract for signature. They neglected to send one to us earlier and need a signed contract for their files.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY RECORDER			
	1. 2. 3. 4. 5.			
IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?				
<input checked="" type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded				
SIGNATURES	CITY MANAGER:			DATE:
	Brant T. Hanson			
	REVIEWED BY CITY ATTORNEY:			DATE:
	David Church			
RECOMMENDED BY (DEPT/DIV HEAD):			DATE:	
WRITTEN/SUBMITTED BY:			DATE:	

Employer Health Insurance Agreement

Between Ephraim City
and
Utah Retirement Systems Public Employees' Health Program
JULY 1, 2014 through JUNE 30, 2015

Table of Contents

SECTION 1 – INTRODUCTION.....	2
SECTION 2 – ELIGIBILITY AND ENROLLMENT.....	3
SECTION 3 – RESPONSIBILITIES OF EMPLOYER.....	7
SECTION 4 – RESPONSIBILITIES OF PEHP.....	9
SECTION 5 – FUNDING.....	12
SECTION 6 – DATA AND RECORDS.....	14
SECTION 7 – TERM AND TERMINATION.....	14
SECTION 8 – GENERAL TERMS.....	15
SECTION 9 – DEFINITIONS.....	17
SECTION 10 – SIGNATURE PAGE.....	20
APPENDIX A.....	21

SECTION 1 – INTRODUCTION

1.1 Contract

1.1.1 This Employer Health Insurance Agreement (“Agreement”) is made and entered into, pursuant to Utah Code Annotated Title 49, Chapter 20, by and between Ephraim City, a body corporate and politic of the State of Utah, and the UTAH RETIREMENT SYSTEMS, by and through its Employer benefit and insurance division, the PUBLIC EMPLOYEES’ HEALTH PROGRAM (“PEHP”).

1.1.2 In exchange for Employer’s payment of Rates, PEHP provides defined healthcare Benefits to Members. Any payment of Rates will constitute Employer’s agreement to the terms of this Agreement, regardless of whether Employer has actually signed the Agreement.

1.1.3 NOW, THEREFORE, for and in consideration of the agreements and provisions hereinafter contained, the parties hereby agree and enter into this Agreement.

1.2 Scope of Agreement

1.2.1 PEHP will make available to Employer’s Eligible Employees, Eligible retirees under age 65, and Eligible dependents, the health and prescription drug plans listed in Appendix A. All terms, definitions, and conditions of the health and prescription drug plans are hereby incorporated into this Agreement.

1.2.2 Any and all other documents attached hereto are hereby made a part of this Agreement as fully as though detailed herein.

1.2.3 The parties acknowledge that for purposes of paying fees required by the Affordable Care Act, PEHP shall act as the plan sponsor of Employer’s benefit plans. All programs and plans offered by PEHP are subject to change in order to adapt to the changes and trends in the health care industry. Further, the Benefits in this Agreement are not necessarily the benefits of the Employer’s previous insurance carrier. This contract does not guarantee benefits payable under the previous carrier will be payable under PEHP.

1.2.4 No Member of PEHP has a vested right to any Benefits. Changes to the Agreement may be made without notification, consultation or the consent of Members. However, material mid-plan year changes to the Benefits must be made with approval of the Employer and with 60 days notice to the Members. The rights and interest of Members at any particular time depend on the Agreement terms in effect at that time.

1.2.5 PEHP may adopt reasonable policies, rules and procedures to help in the administration of the Agreement. Employer agrees to abide by all such reasonable policies, rules, and procedures that are not inconsistent with the Agreement.

1.2.6 PEHP has discretion to determine Eligibility for Benefits and to interpret the terms and conditions of the Benefit plan(s). PEHP's determinations under this Section do not prohibit or prevent a Member from seeking an appeal of claims or an administrative review by following the appeals procedure established by the Master Policy and Utah Code Ann. § 49-11-613.

SECTION 2 – ELIGIBILITY AND ENROLLMENT

2.1 Eligibility

2.1.1 PEHP shall provide coverage to those Eligible Employees and their Eligible Dependents in accordance with the terms of the PEHP Master Policy attached as Appendix A.

2.1.2 In consultation with PEHP and within PEHP's stated Eligibility parameters, if Employer has 100 Subscribers or more, Employer shall decide which categories of Employees and Dependents are Eligible to become Members and establish related Eligibility requirements. Employer agrees to implement standards that are nondiscriminatory and is solely liable if any standards are determined to be discriminatory.

2.1.3 Notwithstanding Section 2.1.2, if Employer is community rated or all Employers in Employer's risk pool are paying the same Rates, then Employer shall be subject to PEHP's Eligibility parameters and shall not have discretion to set its own standards.

2.1.4 Eligibility standards (including termination standards) determined by Employer must be reported to and approved by PEHP each plan year, at least ninety (90) days prior to the start of the plan year. **Employer shall inform PEHP of its eligibility standards on the PEHP Benefit Selection Form.** If Eligibility standards vary from plan year to plan year, PEHP may revise Rates correspondingly, in accordance with sound actuarial principles.

2.1.5 Employer may not change, extend, expand, or waive the Eligibility criteria without first obtaining the advance, written approval of an officer of PEHP. Eligibility standards may not be changed mid-plan year.

2.1.6 Employer's Eligibility parameters must meet PEHP's criteria which include the following:

- All retirement-eligible Employees are Eligible;
- Any elected officials are Eligible;
- Any appointed officials who are required to work the same hours as other Employees are Eligible;
- Otherwise Eligible Employees with other coverage may waive coverage with the Employer under the Plan;
- At least 80% of the above listed Eligible individuals, who have not demonstrated proof of other coverage, must participate in the Plan, or, if Employer employs fewer than five (5) individuals, 100% of individuals must participate in the Plan;
- Independent contractors are not Eligible;

- Retirees (other than Early Retirees, as defined by the Employer) are not Eligible;
- Terminated employees active coverage shall cease on or before either the end of the pay period following termination of employment, or the date the last paycheck is received by the Employee from Employer for which the Employee was eligible for Coverage.

Only individuals who continuously satisfy the Eligibility criteria of the Agreement may be enrolled and continue as Members. Employer, Subscribers, and their Dependents are responsible for obtaining and submitting to PEHP evidence of Eligibility.

2.1.7 Notwithstanding this Section 2, PEHP reserves the right to deny coverage to an otherwise Eligible Employee and/or their Eligible Dependent(s), in accordance with the PEHP Master Policy, if that individual commits fraud upon PEHP, forges prescriptions, commits criminal acts associated with coverage, misuses or abuses Benefits or breaches the conditions of the PEHP Master Policy. Notwithstanding any other provision of this Agreement, if such an individual retains Coverage with PEHP at the request of an Employer after a recommendation by PEHP to address either the fraud, criminal acts associated with coverage, or a breach of the PEHP Master Policy, Employer shall be solely and completely responsible for all claims incurred for this individual. In such a circumstance, the individual's claims shall be adjudicated separately from the Employer's experience, and no claims for this individual, either in specific or aggregate, shall be eligible for payment by PEHP reinsurance.

2.2 Enrollment Requirements

2.2.1 In order for an Eligible individual to receive Benefits, Employer must enroll the individual, PEHP must accept the individual as a Member, and Employer must pay the applicable Rates. Employer agrees to limit enrollment to Eligible Employees and their Dependents.

2.2.2 Any Employee who does not enroll in the Employer Plan during their first 30 days of employment with the Employer will not be Eligible to enroll until the next annual enrollment period.

2.2.3 Except as otherwise provided in this Agreement, enrollment and enrollment changes for existing Employees and their Dependents may only be made during an open enrollment period.

2.2.4 PEHP shall allow for a special enrollment period for specific circumstances listed in Section 2.2.5. The terms governing special enrollment for PEHP are also contained in the Master Policy attached hereto as part of Exhibit A.

2.2.5 Employer must notify PEHP within 31 days whenever there is a change in a Member's family and or employment status that may affect Eligibility or enrollment. Family or employment status includes the following events:

- a) Adoption of a child, birth of a child, or gaining legal guardianship of a child;
- b) Child loses Dependent status;
- c) Death;

- d) Divorce;
- e) Marriage
- f) Involuntary loss of other coverage;
- g) Member called to active military duty;
- h) Member receives a Qualified Medical Child Support Order (QMCSO);
- i) Reduction in employment hours;
- j) Member takes, returns from, or does not return from a leave of absence; and
- k) Termination of employment.

2.2.6 If Employer fails to notify PEHP within 31 days of a Member's termination from employment or other family and/or employment change that results in the loss of a Member's Eligibility, Employer agrees to promptly pay PEHP any amounts paid as Benefits for such Member after the Member became ineligible and before PEHP was notified.

2.2.7 PEHP agrees to supply certification of creditable coverage to all terminated Subscribers and their Eligible Dependents losing coverage in accordance with federal law. The terms governing certification and disclosure are contained in the Master Policy attached hereto as part of Exhibit A.

2.2.8 Employer hereby agrees the Effective Date for new Employees is based upon receipt of enrollment forms by the PEHP enrollment department.

2.2.9 PEHP will enroll Dependents as a result of a valid court order. Any requirement for the Plan to comply with court orders, including Qualified Medical Child Support Orders (QMCSOs) and/or Divorce Decrees is Employer's responsibility. When Employer directs PEHP to enroll an individual on the basis of a court order, PEHP reserves the right to review and confirm that the order is qualified.

2.2.10 PEHP may decline to enroll Employees, former Employees, or Dependents who do not satisfy the Eligibility criteria of the Agreement. Also, PEHP may initially decline to issue coverage if Employer fails to meet the minimum enrollment or minimum contribution requirements.

2.3 Continuation of Coverage (COBRA / Mini-COBRA) and Conversion Coverage

2.3.1 Employer's Members who lose coverage under a Plan made available by PEHP may be permitted to continue such Coverage in accordance with the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), or Utah mini-COBRA, Utah Code Ann. § 31A-22-722 (collectively, "Continuation Coverage").

2.3.2 Employer agrees to administer Continuation Coverage according to state and federal law. PEHP agrees to support and assist Employer in the administration of the Continuation Coverage. Employer agrees to provide sufficient documentation of a Member's Eligibility for Continuation Coverage. PEHP will determine if the documentation provided is sufficient.

2.3.3 Employer agrees to timely:

- a) notify PEHP of a Members' death;
- b) notify PEHP of a Member's termination of employment or reduction of hours, (Employer must notify PEHP if a termination is due to gross misconduct);
- c) notify PEHP of a Member's entitlement to the benefits under Title XVII of the Social Security Administration, which would cause the Member to lose coverage;
- d) notify PEHP of any other COBRA Qualifying Event that would affect a Member's Eligibility for coverage.

2.3.4 PEHP agrees that, at enrollment, termination of employment, or upon receipt of written notice of a COBRA Qualifying Event, in addition to Employer's function as COBRA plan administrator, to notify Members of their Continuation rights, if such rights exist, in accordance with state and federal law. PEHP will not be responsible to notify Members of their Continuation rights if PEHP does not receive notice from Employer of a Qualifying Event, as defined in the PEHP Master Policy, in a timely manner.

2.3.5 Adult Designees are eligible for Continuation Coverage with PEHP if they would have otherwise been eligible for COBRA coverage as a Dependent as defined by PEHP and Employer in Appendix A.

2.3.6 PEHP agrees to provide Employer's Members notice of their Conversion rights in accordance with state and federal law. Employer's Members who lose coverage under a COBRA or a Mini-COBRA plan made available by PEHP may be permitted to enroll in a Conversion plan, in accordance with Utah Code Ann. § 31A-22-723.

2.3.7 PEHP and Employer agree that if this Agreement is terminated, Continuation Coverage with PEHP will terminate. Employer will be responsible for obtaining alternate coverage for those Members who are receiving Continuation Coverage.

2.3.8 PEHP agrees to bill and collect Rates from Members for Continuation and Conversion Coverage.

2.3.9 PEHP agrees to provide COBRA, Mini-COBRA, and Conversion Coverage for the minimum time and only to the minimum extent required by applicable state and federal law. PEHP will not provide Continuation or Conversion Coverage if Employer or the Member fails to strictly comply with all applicable notice and other requirements and deadlines.

2.4 Early Retiree Eligibility

2.4.1 Employer, at Employer's sole discretion, may offer the Employer Plan(s) to the Employer's Early Retirees and their Eligible Dependents according to Eligibility standards adopted by the Employer and provided to PEHP under the terms of this Agreement and attached in Appendix A. Employer shall make available to their Eligible Early Retirees copies of any rules, regulations, and restrictions limiting their options for coverage.

2.4.2 Early Retirees and Eligible Spouses, as specified in Appendix A, upon reaching age 65, and no longer working, will be eligible to convert their Early Retiree coverage to the Public Employees' Medicare Supplement Plan if they elect to enroll in Medicare Plans A and B.

2.4.3 Early Retirees and Eligible Spouses, as specified in Appendix A, upon reaching age 65, and no longer working, will be eligible to convert their Early Retiree coverage to Medicare Part D at any time..

2.4.4 The Employer share of Rate payments for Early Retirees shall be at least as much as that of active Employees.

2.4.5 The rate for Early Retiree coverage may be higher than the rate charged for active Employees. Specific rates may be included in Appendix A.

2.4.6 Termination of Early Retiree coverage does not constitute a qualifying under COBRA. If an Employee elects Early Retiree coverage, the Employee is not eligible for COBRA coverage thereafter.

2.5 Long-Term Disability Continuation of Coverage

2.5.1 Eligible Employees who are approved for long-term disability benefits with PEHP's Long-Term Disability Program under Utah Code Annotated, Title 49, Chapter 21 ("Disabled Employee"), are Eligible to continue coverage with PEHP until the earlier of: 1) the Disabled Employee is no longer receiving long-term disability benefits, 2) the Disabled Employee fails to make the required payment to PEHP each month as set forth below, 3) Employer cancels medical coverage with PEHP, or 4) the Disabled Employee or his/her spouse attains the age of 65.

2.5.2 Upon turning age sixty-five (65), the Disabled Employee or his/her spouse will be Eligible to continue with a PEHP-sponsored Medicare Supplement plan, but will be required to pay the full monthly Rate. The Disabled Employee or spouse who is younger than 65, or any other Eligible Dependents covered on the plan younger than 65, will remain Eligible for PEHP coverage until they meet one of the other criteria listed above or no longer meet Dependent Eligibility criteria.

2.5.3 Each Disabled Employee who qualifies for PEHP coverage must pay a portion of the monthly PEHP payment to remain Eligible for PEHP Benefits as set by PEHP and outlined in the Master Policy attached in Appendix A.

SECTION 3 – RESPONSIBILITIES OF EMPLOYER

3.1 In General

3.1.1 In addition to the responsibilities addressed throughout this Agreement, Employer agrees to the following responsibilities and obligations.

3.2 Rate Payments

3.2.1 Employer is responsible to collect and remit Rates to PEHP. By remitting Rates to PEHP, Employer certifies to PEHP that the Employer/Employee Rate share complies with the affordability standards of PPACA. Other than as required by state or federal law, nothing contained in this Agreement shall obligate the Employer to contribute any specific percentage of the contribution, nor to provide any specified credits for sick leave conversion, etc. to any Employee.

3.2.2 To the extent Employer requires its Employees to contribute to Rates, Employer agrees to collect those contributions from its Employees and remit the same to PEHP together with a copy of a remittance report. Such contributions and report will be submitted to PEHP monthly following the appropriate payroll dates. By remitting Rates, Employer certifies that all Employees meet the Eligibility requirements agreed upon under this Agreement.

3.2.3 Employer's obligation to pay the full Rates to PEHP is not contingent upon Employer's ability to collect any percentage of the Rates that Employer requires to be paid by Subscribers.

3.2.4 Rates will be considered late if received more than thirty days after the date of the corresponding invoice from PEHP.

3.2.5 Notwithstanding any other provision of this Agreement, if Employer is late in any required payment to PEHP, PEHP shall assess Employer a 5% penalty on late payments.

3.2.5 Notwithstanding any other provision of this Agreement, if Employer fails to pay a required invoice to PEHP within sixty (60) days after the date of the corresponding invoice from PEHP, PEHP shall immediately suspend payment of claims until payment is made in full; in such case, the Employer shall be responsible for any payment to Providers, including any late fees, as applicable; or immediately terminate this Agreement in accordance with Section 7.2.

3.3 Employment Verification and Status

3.3.1 To the extent Employer is responsible to determine Eligibility standards under this Agreement, Employer agrees to provide those standards to PEHP at least ninety (90) days prior to the start of the Plan Year, as provided in Section 2.1.

3.3.2 Employer agrees to verify employment status and date of employment information contained in any new applications filed by Employees, and Employer agrees to inform PEHP of any change in Employee or Dependent status or of the termination of coverage of any Employee or Dependent, including any COBRA Qualifying Events, on a semi-monthly basis, in accordance with Section 2.4.

3.3.3 It is the responsibility of the Employer to obtain and maintain updated, accurate records specifying enrollment information, Member files, Eligibility information, Effective Dates, and Employee status information. Employer agrees, to the extent requested by PEHP, to provide PEHP

with current and updated copies of all completed enrollment forms and other documentation as deemed necessary by PEHP.

3.3.4 Payment of Rates shall constitute Employer's certification that Employer and all its Members meet the Eligibility standards as outlined in Utah Code Annotated Title 49, Chapter 20, and as established under this Agreement.

3.4 Compliance

3.4.1 Employer is responsible for its own compliance with applicable laws, rules, and regulations, including requirements to provide information to Members about their coverage. This includes all applicable requirements under PHSa, HIPAA, PPACA, COBRA, and any other state and federal requirements that apply to the Plan.

3.4.2 Employer agrees to notify PEHP when Employer receives Medicare secondary payer information.

3.4.3 Employer shall distribute to Employees all forms, documents, and notices as required by law (i.e. Summary of Benefits and Coverage, Benefit Summaries). In accordance with Section 4.4, PEHP may assist Employer in the production of such forms, documents and notices. Employer maintains sole responsibility to ensure compliance with federal law.

3.5 Miscellaneous

3.5.1 Employer certifies it is a political subdivision of the State of Utah and that both Employer and its Eligible Employees qualify to participate with PEHP, and Employer agrees to notify PEHP prior to its losing Eligibility to participate with PEHP.

3.5.2 It is Employer's responsibility to provide Subscribers a 30-day written notice of the Agreement's termination.

3.5.3 Except as modified in this Agreement, Employer shall be responsible for all tax consequences or penalties resulting from participation in the PEHP plans or programs.

SECTION 4 – RESPONSIBILITIES OF PEHP

4.1 Plan Services

4.1.1 Employer hereby agrees that it is the sole responsibility and right of PEHP to contract with, negotiate policies, procedures, and plan provisions, in reference to physicians, hospitals, facilities, corporations, or other service Providers. PEHP agrees to establish and maintain its usual hospital and physician relations activities, Subscriber service activities, investigative and claim review procedures, legal review and defense services, and shall take all reasonable measures to prevent the allowance and payment of improper claims for Employer.

4.1.2 PEHP shall provide Employer with all administrative services provided by PEHP to its other policy holders. A monthly fee for administrative services shall be included in the Rate amount, on a Per Member Per Month (“PMPM”) basis, at the Rate specified in Appendix A.

4.1.3 PEHP shall provide Reinsurance coverage as provided for in Section 5. PEHP will charge a monthly reinsurance fee, on a PMPM basis, at the Rate specified in Appendix A. The reinsurance fee is included in the Employer Rate.

4.1.4 At Employer’s request, PEHP may facilitate an on site medical clinic for Employer’s employees in accordance with the terms in Appendix B.

4.1.5 PEHP shall make available to Members an electronic enrollment process via the www.pehp.org website. PEHP shall also furnish to the Employer appropriate enrollment forms for distribution to new Eligible Employees. Upon receipt and processing of enrollment information, PEHP will distribute identification/prescription cards and Benefit brochures to Subscribers.

4.2 Reporting

4.2.1 These reporting provisions are subject to the confidentiality provisions of Section 6.

4.2.2 PEHP shall provide Employer with regular reports of the total amount paid to Providers in Employer’s risk pool.

4.2.3 If Employer employs over 100 Subscribers, PEHP shall provide Employer with Employer-specific quarterly utilization reports. These Employers may request additional ad hoc reports as needed. However, to the extent that any specific requested reports may be unique and costly to produce, Employer agrees to pay PEHP the reasonable cost of assembling and preparing such additional information and reports, so long as the cost of any such report has been made available to Employer in advance and Employer has agreed in writing to pay such costs. PEHP may decline to produce reports if PEHP determines that doing so would violate state or federal law.

4.2.4 If Employer employs over 100 Subscribers, Employer and/or its designated Business Associates, as defined by HIPAA, shall be entitled, upon written request from Employer, to receive a copy of individual data pertaining to Employer in accordance with Utah Code Ann. § 49-11-618 and applicable Board resolutions for the sole purpose of reviewing claims and utilization experience for individuals covered by the program. PEHP shall not provide diagnosis information unless specifically requested by Employer, and Employer has demonstrated to the satisfaction of PEHP that the individual diagnosis is essential to the review process, in which case, PEHP may require a separate release statement. Employer hereby agrees to never share or otherwise divulge this individual data to any other person or unit of government, unless subpoenaed by a court or governmental entity having proper jurisdictional authority. When requesting this data, Employer will designate an officer or employee responsible for receipt and custody of the data and hereby agrees to indemnify and hold PEHP harmless against any

claims, loss, damage, injury or other liability resulting from the disclosure of confidential medical data by any officer or employee of Employer.

4.2.5 Subject to the foregoing provisions, PEHP may provide specialized or additional reports to Employer, at Employer's request. PEHP may charge a fee to Employer for such special reporting requests as negotiated between the parties.

4.3 Record Retention and Review

4.3.1 PEHP shall maintain, or cause to be maintained, records covering claims submitted to PEHP hereunder as well as payment disbursed by it. The records shall be maintained for the same period of time that PEHP retains like records in connection with its claims administration.

4.4 Claims Payment, Customer Service and Appeals

4.4.1 PEHP shall adjudicate claims within forty-five (45) days upon receipt of all information necessary to accurately make a claim determination pursuant to PEHP's policies and procedures. Necessary information to adjudicate claims shall include, but is not limited to, information regarding coordination of benefits ("COB") from the primary insurance carrier, if applicable.

4.4.2 PEHP shall notify Members of paid or rejected claims and the reason for the rejection through an explanation of benefits, which shall be sent within one (1) week of PEHP's adjudication of the claim.

4.4.3 PEHP shall advise and aid claimants in meeting requirements for additional information and proper completion of claim forms.

4.4.4 PEHP shall maintain customer service staff and telephone numbers to provide information and response to inquiries of Members regarding program coverage and Benefits as well as specific information concerning claims, such as: status of claim, date paid/denied, amount, and Provider.

4.4.5 PEHP shall provide a website with general Plan information, specific claims information, and cost tools for evaluating and finding Providers.

4.4.6 PEHP shall discuss claims, where applicable, with physicians and other Providers of services.

4.4.7 PEHP shall obtain and furnish information, as necessary, regarding non-duplication of payment or COB.

4.4.8 PEHP will correct payment of claim errors for up to 12 months following the adjudication of a claim. For claims involving COB, PEHP will have up to 15 months following the adjudication of such claims to make adjustments. These time frames will not apply in instances where PEHP determines that the claims were paid due to fraud.

4.4.9 PEHP shall provide a claims adjudication and appeals process to resolve any disputes regarding Benefits under this Agreement. Members and Providers are required to cooperate with this process in any dispute with PEHP as outlined in the Master Policy attached in Appendix A.

4.4.10 PEHP shall provide additional Member Services, including Case Management, Disease Management, and Wellness Programs.

4.4.11 If Employer requests for correctly-paid claims to be reprocessed, Employer agrees to pay the administrative costs of reprocessing in accordance with PEHP's policies and procedures.

4.5 Information for Members

4.5.1 Employer, with cooperation from PEHP, shall produce any required forms or documents required by law to be distributed to Employees. Employer shall bear the responsibility to distribute such documents, in accordance with Section 3.4. PEHP may assist Employer with creation and production of documents, as specified in this Section.

4.5.2 PEHP shall assist Employer in its distribution by making available Plan-specific Benefits Summaries, Master Policies, Rates, forms and documents online at www.pehp.org, which will include the ability for Members to check status of claims and other information.

SECTION 5 – FUNDING

5.1 Self-Funded Status

5.1.1 Employer acknowledges and agrees that through this Agreement Employer participates in a self-insured plan, and that plan is part of a self-insured risk pool. Employer maintains the financial risk associated with that plan and the risk pool. Such risk includes, but is not limited to claims expenses for covered Benefits and any interest required to be paid.

5.1.2 Risk pool reserves held by PEHP are owned by, returned to, and credited for interest earnings to Employer in accordance with Section 5.3 and Appendix A.

5.2 Establishment of Rates

5.2.1 PEHP shall have sole discretion to determine Rates, which are set forth in Appendix A. The Rates will remain the same until the end of the plan year. However, upon notice to Employer, PEHP may reasonably modify the Rates mid-year if federal or state laws or regulations mandate an adjustment of Benefits under the Agreement, or if contingency reserves fall below the level required by the PEHP actuary.

5.2.2 It is understood and agreed that Appendix A outlines the Rates to be paid by Employer for the Plan(s) in which Employer participates during the current term. Rates include administrative fees and

reinsurance fees as determined necessary by PEHP, and as listed in Appendix A. Rates do not include broker/consultant fees, if any. Rates include, but are not limited to the health experience of Employees and their Dependents, Early Retirees, LTD Participants, and Members covered under COBRA and/or Conversion Coverage.

5.2.3 It is further understood and agreed that PEHP will provide notice to Employer of estimated regular Rate changes ninety (90) days prior to the end of the contract term, with the Rate change to be effective on the date of renewal of the plan year.

5.2.4 Notice of Rate increases relating to Medicare Supplement programs offered by PEHP will be provided by PEHP unless Medicare benefits change information has not yet been made available to PEHP by the Medicare authorities. All changes will become effective on July 1 of each year.

5.3 Reserves

5.3.1 Pursuant to Utah Code Annotated § 49-20-301, PEHP plans “shall be maintained on a financially and actuarially sound basis by payments from covered employers and covered individuals.” Utah Code Annotated § 49-20-402(1) provides, “The reserves in a risk pool in a given fiscal year shall be maintained at the level recommended by the program’s consulting actuary and approved or ratified by the Board. If the reserves drop below that level, covered employers in the risk pool are required to cure any deficiency in the reserve.”

5.3.2 PEHP shall provide Employer with reserve recommendations from its consulting actuary upon request from Employer. PEHP shall provide Employer with financial statements regarding the level of reserves in Employer’s risk pool.

5.3.3 If the reserves in Employer’s risk pool drop below the recommendation of the consulting actuary, Employer shall be responsible to pay the difference (or the pro-rata difference if Employer is in a multi-Employer risk pool) to PEHP within fifteen (15) days following the request. In the case of a deficit in reserves, Employer agrees to pay PEHP interest of 1% per month for each month after the end of the month in which Employer maintains a deficit.

5.3.4 PEHP, upon recommendation of its consulting actuary, shall determine when “substantial excess reserves” have been accrued in accordance with Utah Code Annotated § 49-20-402. In such a case, and upon Board approval, PEHP shall refund reserves to Employer (on a pro-rata basis if Employer is in a multi-Employer risk pool) in a manner approved by the Board.

5.4 Claims Reinsurance

5.4.1 All Employers participating in the PEHP health plans shall participate in a self-funded Reinsurance Plan governed by the Utah State Retirement Board (the "Board"), as described in Appendix A. 5.4.2 As outlined elsewhere in this Agreement, the Employer self-funded Rate includes both a specific stop loss and aggregate reinsurance cost. The Reinsurance cost is set forth in Appendix

A. Reinsurance fees are not self-insured, and Employer shall have no recourse to recover any of these amounts paid.

5.5 Administrative Costs

5.5.1 Employer is responsible to pay its share of administrative costs on a PMPM basis. The administrative fee is included in the Employer Rate, according to the schedule in Appendix A. Administrative fees are not self-insured, and Employer shall have no recourse to recover any of these amounts paid.

SECTION 6 – CONFIDENTIALITY

6.1 HIPAA. The parties agree that the acts, duties and obligations required by this Agreement shall be performed in compliance with the Privacy and Security Rules as promulgated under HIPAA.

6.2 Utah Law. Employer understands that under Utah Code Annotated § 49-11-618, “All data in the possession of [PEHP] is confidential, and may not be divulged by [PEHP] except as permitted by board action.” Employer acknowledges and agrees that this Agreement is subject to this rule of confidentiality.

6.3 Definition of Data. For the purpose of this Agreement, "data" means any information pertaining to Employer’s participation with PEHP, Plan Rates, this Agreement, PEHP or its business practices, or the personal health information (as defined by federal law) of any individual participating in the Plan administered by PEHP.

SECTION 7 – TERM AND TERMINATION

7.1 Term of Agreement

7.1.1 Unless sooner terminated as herein provided, this Agreement shall be effective for a one year term and pertain to claims incurred during the period July 1, 2014 through June 30, 2015.

7.1.2 This Agreement shall be renewed automatically for one year terms unless Employer notifies PEHP of its intent to terminate as provided herein.

7.2 Termination

7.2.1 This Agreement, and coverage for all Members under this Agreement, can terminate for the reasons listed below.

7.2.2 This Agreement may be terminated by Employer by providing PEHP with written notice at least ninety (90) days prior to the end of the current one year term. PEHP will not accept retroactive termination dates.

7.2.3 PEHP may immediately terminate Employer's coverage upon written notice if PEHP determines that Employer is in breach of this Agreement. The following circumstances constitute a breach:

- a. Employer fails to pay the required Rates in accordance with this Agreement;
- b. Partial payment will be treated as nonpayment unless PEHP, at its sole discretion, indicates otherwise in writing;
- c. Employer performs an act or practice that constitutes fraud or makes an intentional misrepresentation of material fact under the terms of the coverage;
- d. Employer's status changes to an entity that is not a political subdivision of the State of Utah;
- e. Employer's membership in an entity through which this Agreement was made available ceases; or
- f. Employer fails to satisfy PEHP's minimum contribution requirement, which is 100% of single coverage or 50% of family coverage.
- g. Employer fails to satisfy the minimum Employer participation requirements in Section 2.1.6 of this Agreement.

7.2.4 Employer agrees that if proper written notice of termination is not given within the designated time parameters, a penalty of up to one percent (1%) of total annual Rate may be assessed on Employer at the sole discretion of PEHP.

7.2.5 It is Employer's responsibility to provide Subscribers a 30-day written notice of the Agreement's termination. PEHP will provide a sample notice upon request.

7.2.6 Upon termination or expiration of this Agreement, PEHP shall continue to process and pay claims for services obtained or charges incurred by Employer's Members prior to the date of termination or expiration of this Agreement for a period of 12 months after the date of termination ("Run-Out Period"). PEHP shall not pay for Services obtained or charges incurred after the date of termination, regardless of when a condition arose and despite care or treatment anticipated or already in progress.

7.2.7 If Employer breaches this Agreement in accordance with Section 7.2.3 of this Agreement, which results in termination of this Agreement, PEHP shall pay no further claims, regardless of the date incurred. Employer shall be responsible for any such claims. Employer shall be responsible to pay PEHP for all reinsurance and administrative costs due prior to the date of termination, regardless of any other provision in this Agreement.

7.2.8 Upon termination of this Agreement, Employer shall be responsible for any deficits in the risk pool as determined by PEHP.

SECTION 8 – GENERAL TERMS

8.1 Interpretation. The attached Appendices are complementary to this Agreement and what is called for by any one of them shall be binding as if called for by all. In the event of any inconsistency between the provisions of the Agreement and the documents accompanying this Agreement, the inconsistency shall be resolved by giving precedence first to the Appendices and then to this Agreement. This

Agreement will be interpreted and enforced according to the laws and regulations of the State of Utah and any applicable federal laws or regulations. If an inconsistency exists between the Agreement and any applicable law, this Agreement will be construed to include the minimum requirements of the applicable law.

8.2 Indemnification. PEHP agrees to indemnify Employer from and against any claims or other liability, including attorney fees, based upon PEHP's failure to comply with its obligations under the Agreement. Employer agrees to indemnify PEHP from and against any claims or other liability, including attorney fees, based upon Employer's failure to comply with its obligations under the Agreement.

8.3 Amendment and Assignment. This Agreement may be modified or amended only by a written instrument executed by duly authorized officers of the parties hereto. This Agreement may not be assigned by either party without the written consent of the other party.

8.4 Default. If either party defaults in the performance of this Agreement or any of its obligations hereunder, the defaulting party shall pay all costs and expenses, including reasonable attorney's fees, which may arise or accrue from enforcing the Agreement or from pursuing any remedy provided hereunder.

8.5 Force Majeure. Neither party will be responsible for a delay in performing its obligations under the Agreement due to circumstances reasonably beyond its control, such as natural disaster, epidemic, riot, war, terrorism, or nuclear release.

8.6 Dispute Resolution. This Agreement is entered into in the State of Utah and shall be governed by the laws of said state, notwithstanding any conflicts of laws principles. Any dispute arising out of this Agreement will be subject to the exclusive jurisdiction of the administrative hearing process found in Utah Code Annotated § 49-11-613.

8.6 Conflict of Interest. PEHP represents that it has not knowingly influenced, and hereby promises that it will not knowingly influence, an Employer officer or employee, or former Employer officer or employee, to breach any ethical standards applicable to Employer. Employer represents that it has not knowingly influenced, and hereby promises that it will not knowingly influence any PEHP officer or employee or former PEHP officer or employee to breach any ethical standard applicable to PEHP.

8.7 Severance. In the event any portion of this Agreement is determined to be unconstitutional, unlawful or otherwise unenforceable in the State of Utah, only the unconstitutional portion of the Agreement will be severed and the remaining portion of the Agreement will continue in effect and be binding on the Parties, provided that such holding of invalidity or unenforceability does not materially affect the essence of the Agreement.

8.8 Notice.

8.8.1 Any notice required herein of PEHP shall be addressed to Employer at the address listed in Appendix A, and when required of Employer, shall be addressed to PEHP, Marketing Department, Public Employees' Health Program, 560 East 200 South, Salt Lake City, Utah 84102-2004, or kurt.murray@pehp.org (or current Marketing Manager).

8.8.2 All required notices shall be sent by at least first class mail or electronic mail.

8.8.3 Any notice PEHP is required to send will be sufficient if:

- a. For notice to Employer, notice is sent to the address listed in Appendix A;
- b. For notice to a Subscriber, notice is sent to the address PEHP has on record; and
- c. For notice to a Dependent, notice is sent to the Subscriber.

8.8.4 Any notice Employer is required to send will be sufficient if sent to the address listed above.

8.9 Waiver. Failure by either party to insist upon strict compliance with any part of this Agreement or with any procedure or requirement will not result in a waiver of its right to insist upon strict compliance in any other situation.

8.10 Workers' Compensation Insurance. The Agreement does not provide or replace workers' compensation coverage for Employer's Employees. Employment-related injuries are not covered under the Agreement.

8.11 Relationship of the Parties. This Agreement is a contract for services and does not create an agency relationship. Employer does not have the authority to act as PEHP's agent. PEHP is not Employer's agent for any purpose.

SECTION 9 – DEFINITIONS

9.0 In General. This Agreement contains certain defined terms that are capitalized in the text and described in this Section. Words that are not defined have their usual meaning in everyday language.

9.1 Adult Designee. If Employer accepts Adult Designees as Dependents, the qualifications agreed upon by Employer and PEHP will be included in Appendix A.

9.2 Agreement. This Employer Health Insurance Agreement, including the Employer Application and all other documents expressly referred to and incorporated by reference.

9.3 Benefit(s). The payments and privileges to which Members are entitled by this Agreement.

9.4 Continuation or COBRA Coverage. Coverage required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and/or coverage allowed under Utah Code Annotated § 31A-22-722 (Mini-COBRA).

9.5 Conversion Coverage. Coverage provided under Utah Code Annotated § 31A-22-723.

9.6 Dependent(s). An Employee's lawful spouse (or Adult Designee if allowed by Employer) and any child who meets the Eligibility criteria under this Agreement.

9.7 Early Retiree. A former Employee of Employer who is under age 65 and who meets Employer's Eligibility criteria as defined by Employer in Appendix A.

9.8 Effective Date. The date on which coverage for a Member begins.

9.9 Employee. An individual employed by Employer.

9.10 Employer Plan (or "Plan(s)"). The group health and/or other Benefit plan(s) elected and sponsored by Employer under this Agreement and attached in Appendix A.

9.11 Eligible, Eligibility. The criteria or standards, established by Employer and/or PEHP under this Agreement and Appendix A, in order to participate in a PEHP health plan.

9.12 HIPAA. The Health Insurance Portability and Accountability Act found at 45 C.F.R. §§ 160 and 164, as amended.

9.13 Master Policy. The document(s), considered part of this Agreement, which describe(s) the terms and conditions of the health insurance Benefits with PEHP, including the Benefit Summary, and which is available online at the address listed in Appendix A, or by request.

9.14 Member. As defined in the Master Policy attached in Appendix A, a Subscriber, including an Employee, Early Retiree, LTD Participant, COBRA Participant, Conversion Coverage Participant, and any Dependent, when properly enrolled in the Plan and accepted by PEHP.

9.15 PHSA. The Public Health Service Act of 1944, codified in United States Code, Title 42, as amended.

9.15 PPACA. The Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended, including the Health Care Education Reconciliation Act of 2010, Pub. L. No. 111-152, as amended.

9.16 Provider. A vendor of healthcare Services as defined in the Master Policy.

9.17 Rate(s). The amount paid periodically by Employer and/or Subscribers to PEHP as consideration for providing Benefits under the Plan. The Contribution rate is specified in Appendix A.

9.18 Service(s). Services provided by a Provider, including medical practices or care, treatment, tests, supplies, equipment, devices, or drugs.

9.19 Subscriber. An Employee that enrolls with PEHP, as defined in the Master Policy.

SECTION 10 – SIGNATURE PAGE

EXECUTED this _____ day of _____, 20__.

UTAH RETIREMENT SYSTEMS
PUBLIC EMPLOYEES HEALTH PROGRAM



By _____
Chet Loftis
Director, Public Employees Health Program

EXECUTED this _____ day of _____, 20__.

Ephraim City

By _____
[Name]
[Title]

APPENDIX A

Plan Year: July 1, 2014 – June 30, 2015

A-1 Benefits

A Employer Plans/Programs

Master Policy & Benefit Grid – members can access at www.pehp.org or on Employer’s website.

Summary of Benefits & Coverage (SBC) – members can access at www.pehp.org or on Employer’s website.

Provider Directory - Provider directories for the Employer plans are found online at www.pehp.org. Provider directories are subject to change without notice. PEHP shall make reasonable efforts, as determined by PEHP, to inform Employer and Members if a material disruption shall occur to provider networks during the term of this Agreement.

Wellness Programs

PEHP offers the Healthy Utah wellness program for Employer. If Employer elects to offer additional wellness programs to employees, Employer shall be solely responsible for any federal law compliance related to such additional program, included taxability of rebates and tracking applicable wellness limits for employees.

Early Retiree

Employer may elect to provide Early Retiree benefits to its Early Retirees. PEHP shall only enroll Employer’s retirees if the following conditions are met:

1. Employer takes official action (i.e. City Council resolution; board action; etc) to adopt an early retiree benefit policy and provides such policy to PEHP. Such policy shall define the eligibility standards for early retirees, including the time frames associated with early retiree coverage.
2. PEHP shall accept early retirees prospectively from the date of the official action forward. Employer acknowledges that early retirees are not eligible for continuing benefits (COBRA or mini-COBRA) after their early retiree period.
 - a. Early retiree rates shall be 102% of the active employee monthly rate prior to 18 months.
 - b. 130% of the active employee monthly rate after 18 months.
3. Employer shall pay all rates associated with early retirees. Any amounts owed by early retirees for coverage, shall be collected by Employer.

B Vesting Standards for LGRP

1. Employer hereby acknowledges that it participates in the Local Governments Risk Pool (“LGRP”) sponsored by PEHP, which is a multi-employer self-funded risk pool. Participation in the LGRP requires meeting PEHP’s vesting requirement, which include:
 - a. An Employer is vested with PEHP when either:
 - i. the Employer provides two years of specific plan benefits and claims costs to PEHP to appropriately determine rates; or
 - ii. the Employer continuously participates with PEHP in the LGRP for three years.
 - b. If an Employer is vested with PEHP, the Employer may terminate this agreement with no further obligation to LGRP. At the time of termination, the Employer shall not receive any LGRP reserve funds, and shall not pay any deficits incurred or paid by Employer to LGRP.
 - c. If Employer is not vested with PEHP and terminates this Agreement before becoming vested, Employer will immediately pay PEHP for any deficits incurred during its participation with LGRP. Deficits mean the difference between claims paid by PEHP, including administrative costs, and the rates paid by Employer, including all Employer allocated investment earnings or deficits. Deficits shall be solely determined by PEHP. Any calculations regarding deficits will include Employer's claims presented and paid by PEHP over the 12 months following Employer's termination of this Agreement.
 - d. Any surpluses attributable to the Employer (when rates exceed premiums), whether vested or non-vested, will remain with PEHP for the benefit of the Employers participating in the LGRP.
2. Employer IS deemed vested by PEHP.

C Reinsurance

1. Each Employer shall participate in the PEHP Reinsurance Risk Pool and pay the applicable rates for such services. Reinsurance rates are included in rates found in Appendix Section A-2. The Reinsurance Plan covers:
 - A. Specific stop loss coverage (large medical claims exceeding \$100,000 annually) calculated on an incurred in 12 months and paid in 15 months basis; and
 - B. 120% to 135% of aggregate stop loss coverage of expected claims.
2. The PEHP Reinsurance Risk Pool specifically excludes coverage for any claims incurred:

- A. Outside of the eligibility standards of this agreement or the Master Policy; or
- B. For benefits not specifically covered by the Master Policy.

If Employer approves claims or benefits not covered by this Agreement or the Master Policy, Employer shall be responsible for all claims expenses associated with such charges.

Notwithstanding any other provision of this Agreement, PEHP shall have no liability to pay any claims, benefits or make other payments that are not specifically stated in this Agreement or the Master Policy.

A-2 Rates were provided in the renewal packet.

A-3 Additional Terms

- A Following termination of this Agreement, PEHP shall pay claims incurred prior to termination of this Agreement for 12 months.
- B Conflict of Interest – Employer acknowledges that PEHP is a public employer, and that no employee or officer is related to any employee or officer of PEHP within two degrees of consanguinity except as has been previously disclosed to PEHP.
- C Additional Reporting Requests - PEHP shall provide regular reports to Employer as described in the Agreement. PEHP may provide additional reports to Employer as negotiated between Employer and PEHP. If such additional reports are agreed upon and authorized by PEHP, Employer agrees to pay PEHP the reasonable costs of producing such reports at the rate of \$20/hour and \$.10/page for printed reports.



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

March 18, 2015

DEPARTMENT:

Library

DIVISION:

- Motion
- Resolution
- Ordinance - Introduction
- Ordinance - Adoption
- Public Hearing

TITLE:

ALSCO CONTRACT - Renewal

SUMMARY RECOMMENDATION:

Motion to approve the ALSCO Contract to provide continued rental and maintenance for the floor mats located at the library.

REPORT:

This is the contract that has been in place for millennia. It is a five year contract for \$40.00 per month/\$480 per year.

FISCAL REQUIREMENTS	CITY FUNDS:	\$480.00	BUDGETED:	\$480.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$480.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY RECORDER			
	1. 2. 3. 4. 5.			
ADDITIONAL INFORMATION	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?			
	<input checked="" type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded			
SIGNATURES	CITY MANAGER:	Brant T. Hanson		DATE: 03.06.2015
	REVIEWED BY CITY ATTORNEY:	David Church		DATE:
	RECOMMENDED BY (DEPT/DIV HEAD):			DATE:
	WRITTEN/SUBMITTED BY:			DATE:



Location No. 600165

TERMS AND CONDITIONS FOR TEXTILE RENTAL SERVICE AGREEMENT

The parties hereby agree as follows:

- 1. Scope of Agreement. During the term of this Agreement, AlSCO (hereinafter called "Supplier") shall be the exclusive supplier to Customer of the services and goods listed on Schedule A attached hereto, as such Schedule A may be amended from time to time. All goods supplied hereunder shall be regularly cleaned and maintained by the Supplier. Any goods that require replacement during the term of this Agreement because of normal wear and tear shall be replaced by Supplier at Supplier's sole cost and expense.
2. Term. This Agreement shall remain in full force and effect for a period of 60 months, commencing on the date of installation of the goods, and shall be automatically renewed for consecutive 60 month periods thereafter unless either party shall give to the other party written notice of termination by registered mail at least 90 days prior to the expiration of the term then in effect.
3. Charges. In consideration for the services and goods provided hereunder, Customer agrees to pay the charges set forth on Schedule A attached hereto and other charges which may become applicable. The description of the charges shown on Schedule A and other charges that may be applicable is located on the reverse side of this Agreement and any updates to that list at www.Alsco.com. All charges are based on 52 weeks per year whether or not service is actually used. The Service Charge will be used to help AlSCO pay various fluctuating costs relating to the environment, energy, service and delivery. Revenue from all charges on our invoices is used to offset costs and to provide general revenue to AlSCO.
4. Price Adjustments. On the first anniversary date and annually thereafter, Customer agrees that Supplier may increase prices by the greater of 5% or the percentage change in the Consumer Price Index ("CPI") for the preceding twelve months. Supplier shall notify Customer of the new prices in the form of an adjusted invoice or statement. In addition to the foregoing, if Supplier increases prices more frequently than annually or by more than 5% or the CPI as provided above ("Additional Price Increases"), Supplier shall notify Customer of the Additional Price Increase as provided above. Customer shall have the right to reject any Additional Price Increase by giving written notice to Supplier within ten (10) days of the Additional Price Increase. In such event, Supplier shall have the option of terminating this Agreement and Customer shall be obligated to comply with Section 9.
5. Payment and Credit. All charges shall be payable upon delivery, unless Customer applies for and Supplier provides a credit account. A Customer who has a credit account shall pay all charges for merchandise by the 10th day of the month following the month in which delivery is made (the due date). A FINANCE CHARGE of 1 1/2% per month or 18% per year will be imposed on all outstanding credit account balances 30 days or more past due until paid in full. If full payment on a credit account balance is not made within 30 days of the due date, Supplier may elect to revoke credit privileges and continue to supply merchandise under this Agreement on a cash-on-delivery basis only.
6. Representation and Indemnity. Customer acknowledges that goods supplied pursuant to this Agreement are designed only for general purpose use in working with non-hazardous materials, and that the goods are not flame retardant or treated to resist acids or other caustic or hazardous materials. Customer represents that the goods shall not be used in areas of flammability risk or where contact with caustic or otherwise hazardous materials or ignition sources is possible. Customer expressly agrees to indemnify and hold Supplier harmless from any claim, liability or judgment, including court costs and attorney's fees, arising from or relating to the use of any goods supplied hereunder in violation of the foregoing representation.
7. Title to Goods and Replacing Lost or Damaged Goods. It is understood by the parties that all goods supplied under this Agreement are, and shall remain, the property of Supplier, and shall be returned to Supplier at such time as an employee of Customer using said goods terminates employment with Customer or at such time as this Agreement might expire or otherwise be terminated. Customer shall be responsible for all goods which are lost, destroyed, stolen or not returned as required herein, and with respect to such lost, destroyed, stolen or non-returned goods, Customer shall promptly pay to Supplier the Replacement Charge (as specified in Schedule A or amended Schedules) of such goods, including applicable sales and use taxes. Supplier has the right to enter upon Customer's premises to remove or take inventory of its goods at any time during Customer's regular business hours.
8. Liquidated Damages. Customer acknowledges that since Supplier owns the goods covered hereby, and that such goods may be unique to Customer's requirements and that the value of such goods is depreciating with time, the damages which Supplier may sustain as a result of Customer's breach or premature termination of this Agreement would be difficult, if not impossible, to determine. The parties therefore agree that in the event of Customer's failure to timely pay the fees and charges provided for herein, or in the event of any other breach or premature termination of this Agreement by Customer, Customer shall pay to Supplier as liquidated damages, and not as a penalty, a sum equal to the number of unexpired weeks remaining in the term then in effect multiplied by fifty percent (50%) of the average weekly charge for goods and services during the 10 weeks immediately preceding such failure to pay, breach or premature termination. The parties further agree that this formula is reasonable.
9. Payment of Goods Upon Termination. Upon termination of this Agreement, with or without cause, Customer agrees to return to Supplier all goods supplied pursuant to this Agreement. Customer agrees to pay Supplier's Replacement Charge for any goods not returned or goods returned in a condition beyond normal wear and tear. The price to be paid upon such purchase of goods shall be in addition to any liquidated damages Customer may be required to pay pursuant to Section 8.
10. Change of Customer's Location. Customer shall give Supplier 30 days written notice prior to any change in the location to which goods and services are provided under this Agreement. So long as Customer's new location is within Supplier's route delivery area, this Agreement shall remain in full force and effect despite a change in Customer's location. In the event Customer's new location is outside Supplier's route delivery area, this Agreement shall be deemed terminated and the provisions of Section 9 dealing with purchase of goods shall apply, but the provisions of Section 8 relating to liquidated damages shall not apply.
11. Undertaking and Quality. Supplier agrees to provide goods and services under this Agreement in accordance with accepted standards in the textile leasing/rental industry. In the event Customer believes that there are deficiencies in the quality of the service and/or goods furnished by Supplier hereunder, Customer shall give written notice to Supplier by certified mail, specifying the precise nature of such deficiencies, and Supplier shall have 60 days after its receipt of such written notice to correct such claimed deficiencies. In the event Customer is, in good faith, not satisfied with Supplier's correction of the claimed deficiencies, Customer shall give written notice to Supplier by certified mail, return receipt requested, specifying the precise nature of the inadequate correction. Failure to give such notice of inadequate correction shall create a conclusive presumption that Supplier has corrected the deficiencies. If Supplier fails to correct the deficiencies within 30 days after its receipt of the second notice provided herein, Customer may terminate this Agreement. The provisions of Section 8 relating to liquidated damages shall not apply to a termination pursuant to this Section, but all other sections shall apply.
12. Other Contracts. Customer certifies that Supplier is in no way infringing upon any existing contract between Customer and another supplier and that Supplier has made no attempt to induce Customer to wrongfully terminate an existing contract with another supplier or goods covered by this Agreement.
13. Binding Effect. This Agreement shall be binding upon the representatives, successors and assigns of the parties. In the event Customer sells or transfers its business or principal assets, Customer shall cause any purchaser of such business or assets to assume in writing this Agreement and the obligations of Customer hereunder.
14. Severability. If any provision of this Agreement is determined to be invalid, the remaining terms and conditions hereof shall remain in full force and effect.
15. Enforcement of Agreement. In the event Supplier is required to enforce, defend and/or protect its rights under this Agreement, Customer agrees that in addition to all other amounts which it might be required to pay, it will pay Supplier's costs of enforcing, defending and/or protecting its rights under this Agreement, including reasonable collection fees, attorneys' fees and costs. The parties agree that the only venue for any suit with respect to this Agreement shall be the county in which Supplier's plant is located.

CUSTOMER'S ACCEPTANCE:



Ephraim City Library

5 S Main St

EPHRAIM, UT, 84627-1383

SUPPLIER'S ACCEPTANCE:

BY:

(AUTHORIZED SIGNATURE)

(AUTHORIZED REPRESENTATIVE)

TITLE:

DATE:

Note: Revenue from all charges is used to offset costs and provide general revenue to AlSCO.

Types of Service

Flat Rate Service: Some customers have agreed to be billed at the same amount each week.

Unit Price with Minimum Usage Service: Some customers have agreed to use a certain minimum percentage of the inventory designated for their use. When the quantity actually used by the customer for an item falls below the Agreed Minimum, the customer is charged the unit price multiplied by the minimum agreed-upon quantity. This charge will be shown as "Inventory Minimum Charge" on your invoice.

Special Charges

A/R Account Maintenance (A/R Acct Maint): This charge may be applied to carry credit for non-COD customers

C.O.D. Re-Charge: Rather than stopping service, this charge is made when COD payments are not made and our invoices must be re-submitted and collected at the time of the following delivery.

Early Retirement: The early retirement charge applies to garments that are removed from service early in their useful life.

Emblem Charge: This is a one-time charge to place an emblem or emblems on a new or replacement garment.

Excess Trash: This fee is charged for separating and disposing of trash from rental items when an unusual amount of trash has been placed into the laundry bag.

Finance Charge: The finance charge reflects interest charged on past due accounts.

Freight: Freight is charged for delivering direct sale items directly from a manufacturer, by common carrier, or outside of our regular route delivery system.

Garment Inventory Maintenance: This is an optional program that offers a weekly charge in lieu of being billed for abused or damaged items. This is for garments only. This does not include lost garments.

Inventory Maintenance (Inventory Maint): This automatic recurring charge is to replenish lost or damaged textiles to maintain the level of inventory required by the customer. The inventory maintenance charge is established with the customer, based upon experience, and depending upon the type of textile product provided and its particular application. Inventories of napkins, aprons, shop towels, and bar towels typically need automatic replenishment.

Inventory Minimum (Inventory Min): If the customer has agreed to use a minimum percentage of the inventory designated for the customer, this is the charge if the usage falls below the agreed upon minimum. (See "Unit Price with Minimum Usage.")

Invoice Copy: There is no charge for the first invoice. This is for faxing or mailing additional copies of invoices, at the customer's request.

Loss/Abuse/Damage (Loss/Abuse/Dam): This charge is to replace rental items that have been lost, misused or damaged beyond repair by users as identified by our route service representatives or check-in procedures at our plant. In order to discourage misuse, the charge is the Replacement Charge shown on your contract or the full retail price.

NSF/Bounced Check (NSF Check): The NSF/bounced check charge is for checks that have been returned to us for non-sufficient funds.

Oversize Garment Charge (Oversize Gar Chg): The oversize garment charge reflects the additional cost of providing garments that are outside the normal range of sizes, for example: XXX Large, etc.

Preparation Charge (Preparation Chg): This is a charge for preparing a garment for use, identifying it to a person, completing alterations and adding it to account database.

Press Charge: The press charge is for atypical requests to press garments.

Repair Charge: After quality control, a repair charge may be made for minor repairs on items that that have been exposed to conditions outside of normal use or abusive conditions, or by the customer's request to maintain appearance standards and avoid early replacement.

Replacement Charge (Replace Chg): This is the agreed upon unit price charge (less depreciation) which the customer must pay to purchase the inventory designated for the customer's use if the customer discontinues service before the end of the contract.

Restocking Fee: The restocking fee is charged to retrieve items from the customer and place them back into our storeroom.

Re-Stringing Charge (Re-String Chg): This fee is for replacing and re-threading laundry bag cords that have been cut or made unusable through improper tying by the customer.

Special Delivery: This charge is for specially delivered items, delivered outside the regularly scheduled route delivery stop.

Service Charge

The service charge is used to help pay various fluctuating costs related to the environment, energy, service and delivery of our goods and service.

