

FRANKLIN-ESSEX-HAMILTON SCHOOL DISTRICTS'
HEALTH INSURANCE CONSORTIUM

MUNICIPAL COOPERATION AGREEMENT TO PROVIDE HEALTH BENEFITS

This agreement made the 13th day of June, 2018 among:

Board of Cooperative Educational Services, Sole Supervisory District of Franklin, Essex, and Hamilton Counties, a BOCES having a mailing address of P.O. Box 28, Malone, New York 12953, and

Brushton-Moira Central School District, a Central School District having a mailing address of 758 County Route 7, Brushton, New York 12916, and

Chateaugay Central School District, a Central School District having a mailing address of P.O. Box 904, Chateaugay, New York 12920, and

Lake Placid Central School District, a Central School District having a mailing address of 50 Cummings Road, Lake Placid, New York 12946, and

Malone Central School District, a Central School District having a mailing address of 42 Husky Lane, Malone, New York 12953, and

St. Regis Falls Central School District, a Central School District having a mailing address of P.O. Box 309, St. Regis Falls, New York 12980, and

Salmon River Central School District, a Central School District having a mailing address of 637 County Route 1, Ft. Covington, New York 12937, and

Saranac Lake Central School District, a Central School District having a mailing address of 79 Canaras Avenue, Saranac Lake, New York 12983, and

Tupper Lake Central School District, a Central School District having a mailing address of 294 Hosley Avenue, Tupper Lake, New York 12986, and

all of which are referred to herein as "Participants".

WITNESSETH:

WHEREAS, Article 5-G of the General Municipal Law authorizes municipal corporations to enter into cooperative agreements for the performance of those functions or activities in which they could engage individually; and

WHEREAS, Sections 92-a and 119-o of the General Municipal Law authorize municipalities to purchase a single health insurance policy, enter into group health plans, and establish a joint body to administer a health plan; and

WHEREAS, Section 119-n of the General Municipal Law defines the term "municipal corporation" to include a city, town, village, school district and Board of Cooperative Educational Services; and

WHEREAS, the Participants in this agreement have determined to their individual satisfaction that they can furnish health benefits for their officers and employees (hereinafter referred to as employees) at a significant cost savings by acting in concert with one another in the manner hereinafter expressed; and

WHEREAS, the Participants wish to designate themselves under this agreement as the Franklin-Essex-Hamilton School Districts' Health Insurance Consortium (hereinafter referred to as the FEHSDHIC);

NOW THEREFORE, in consideration of the mutual promises herein contained, the parties do covenant and agree as follows:

1. The Participants collectively agree to share the costs of and assume the liabilities for health benefits (including but not limited to medical, surgical, hospital, and prescription drug) for those covered employees (including retirees) and their dependents which each Participant individually elects to include in the health plan (hereinafter referred to as the "Plan") and agree to pay on demand such Participant's share of any assessment ordered by the FEHSDHIC's Board of Directors (as further described herein);
2. The governing body of the FEHSDHIC shall be a Board of Directors composed of the chief executive officer or other designated officer of the district or BOCES as selected by each Participant annually. Each Director shall have one vote on all matters properly before the Board. A Joint Governing Board, which provides joint and equal representation for employers and employees, shall also be established as set forth in the 1996 Memorandum of Understanding, the terms of

which are expressly incorporated herein. Each school district representative of the Joint Governing Board shall be appointed by the Board of Education of each participating school district, and each bargaining unit representative of the Joint Governing Board shall be selected by and in such manner as agreed upon by and between the respective participating bargaining units of each Participant.

3. Except as otherwise provided in this agreement, a quorum for a meeting of the Board of Directors shall be a simple majority. A simple majority of the full board is required to exercise the following powers and duties and to approve all actions as follows:
 - a) to adopt rules establishing its procedure in relation to the following:
 - 1) the election of a Chairperson, Vice-Chairperson, and Secretary and the selection or designation of other officers.
 - 2) fixing the frequency of regular board meetings, including the time and place thereof, and the method for calling special meetings, provided that the Board of Directors shall meet at least annually at a time and place in this state.
 - 3) filling vacancies in Board offices other than the office of Director.
 - 4) establishing prior to July 1 of each year the maximum annual premium equivalent by each Participant for each enrollee classification in the Plan.
 - 5) auditing receipts and disbursements, providing for independent audits and the furnishing of periodic financial and operational reports to Participants.
 - b) to annually review the performance of the Plan Consultant and to make recommendations to the BOCES prior to March 1 of each year regarding the Plan Consultant.
 - c) to review all recommendations made by the Plan Consultant or Plan Administrator.
 - d) to establish administrative guidelines.

- e) to establish regulations for the entry of new Participants into the Plan.
- f) to contract with BOCES for the furnishing of all goods and services reasonably needed in the efficient operation and administration of the Plan.
- g) to determine by March 1 of each year the annual premium equivalent for each enrollee classification during the next Plan year commencing July 1st both subject to the approval of each Participant desiring to remain in the Plan, which approval shall be communicated in writing to the Chairperson of the Board by April 1 of each year.
- h) to designate one Director to have custody of all reports, statements and other documents of the Plan.
- i) to design the plan of benefits provided by the Plan and prepare the plan document and summary plan description.
- j) to enter into an agreement with a contract administrator or other service provider, determined by the Board of Directors to be qualified, to receive, investigate, recommend, audit, approve or make payment of claims under the Plan. The charges, fees and other compensation for any contracted services shall be clearly stated in written administrative service contracts as required by NY Gen. Mun. Law §92-a(6).
- k) to purchase stop-loss insurance on behalf of the Plan.
- l) to establish a joint fund or funds to finance all Plan expenditures, including claims, reserves, surplus, administration, stop-loss insurance and other expenses.
- m) to prepare an annual budget for the Plan to determine the premium equivalent rates for Participants to be deposited in the Plan's joint fund or funds during the fiscal year.
- n) to designate the Plan's attorney-in-fact to receive service of summons or other legal process in any action, suit or proceeding arising out of any contract, agreement or transaction involving the Plan.
- o) such other matters as may be reasonably necessary to provide for the efficient operation and administration of the Plan.

4. The FEHSDHIC hereby designates Blue Cross & Blue Shield of Utica-Watertown, Inc. as the Administrator of the Plan until such time, by a simple majority vote of the full Board, another Administrator is designated.
5. The BOCES Treasurer (hereinafter referred to as the Treasurer) shall act as chief fiscal officer of the Plan and disbursing agent for all payments made by the Plan. The Treasurer shall:
 - a. have custody of all moneys received by the Plan or made available for expenditure under the Plan;
 - b. notwithstanding any provision of the General Municipal Law, make payment in accordance with the procedures developed by the Board of Directors;
 - c. receive no remuneration, except for reasonable expenses incurred in connection with the Treasurer's duties in connection with the Plan, which shall be reimbursable by BOCES;
 - d. cause to be prepared and furnish to the Board, to participating municipal corporations, to unions which are the exclusive bargaining representatives of employees covered by the Plan:
 - (1) an annual audit, and opinions thereon, by an independent certified public accountant, of the financial condition, accounting procedures and internal control systems of the Plan;
 - (2) an annual report and quarterly reports describing the Plan's current financial status; and
 - (3) an annual independent actuarial opinion on the financial soundness of the Plan, including the actuarial soundness of contribution or premium equivalent rates and reserves, both as paid in the current Plan Year and projected for the next Plan Year.
6. Attached hereto is a copy of the Plan Benefits for BOCES and Participating Districts at inception of the Plan.
7. Membership in the FEHSDHIC may be offered to any Public School District located within the FEH BOCES Service Area, subject

to the terms and conditions established by the Board of Directors as provided in this Agreement (including any amendments hereto and applicable law), provided however that, in the sole discretion of the Board, the applicant may be required to provide satisfactory proof of its financial responsibility. Such membership shall become effective on the 1st day of the calendar month following the adoption by the Board of Directors of the resolution to accept a new Participant.

8. Monies in the Plan's reserve funds and surplus account shall be deposited at (name of one or more duly chartered banks and/or trust companies located in the state), in one or more separate segregated accounts, subject to investment in obligations specified in the General Municipal Law or Education Law (as applicable) for investment of moneys in reserve funds.
9. The Treasurer shall be bonded for all monies received from the Participants who shall collectively be designated as the Obligees therein, as the Franklin-Essex-Hamilton School Districts' Health Insurance Consortium.

The amount of such bond shall be fixed annually by the Board of Directors in such principal amount as it deems adequate to protect the interests of the Participants.

10. BOCES officers and employees who assist or participate in the operation of the Plan shall not be deemed employees of the FEHSDHIC. The Board of Directors shall not have any authority to engage the services of any person as an officer or employee of the FEHSDHIC. The BOCES shall provide for all necessary services and materials pursuant to an annual contract with the Board of Directors.
11. Each Participant's monthly premium equivalent, by enrollee classification, shall be paid by the 15th day of each calendar month during the Plan year (July 1 - June 30). A late payment charge of 1% of the monthly installment then due shall be charged for any payment not received by the 15th of each month, or the next business day when the 15th falls on a Saturday, Sunday, legal holiday or day observed as a legal holiday by the BOCES. Failure to pay an installment and penalty within sixty days of the due date shall be a basis for determination of exclusion from the Plan.

thereon for the current plan year, or the Plan's surplus account drops below five percent (5%) of the annualized earned premium equivalents during the current fiscal year. In the case of (a) or (b) above, the Board of Directors shall, within thirty (30) days, order an assessment ("Assessment Order") for the amount that will provide sufficient funds to remove such impairment and collect from each Participant a pro-rata share of such assessed amount, which shall be paid within ninety (90) days after the issuance of such Assessment Order.

15. Funds not required for immediate expenditure may be temporarily invested by the Treasurer as authorized under the General Municipal Law or Education Law (as applicable).
16. All claim disbursements shall be approved prior to payment as authorized by the Board of Directors.
17. Any Participant providing more liberal benefits, coverages, or enrollment eligibility than that provided under the attached Plan may continue to do so at its sole expense, and this agreement shall not be deemed to diminish such Participant's benefits, coverages or enrollment eligibility. The payment of such excess benefits, shall be administered solely by and at the expense of such Participant.
18. If any Participant requires an enrollee's contribution for benefits provided by the Plan, the Participant shall collect such contributions at such time and in such amounts as it may require, and such enrollee contribution shall not diminish nor delay the payment of the Participant's annual premium equivalent in the manner above provided.
19. Nothing contained in this Agreement shall be construed to waive any right a covered person possesses under the Plan with respect to the confidentiality of medical records, which may only be waived upon the written consent of such covered person.
20. The terms of this Agreement shall begin upon signing and shall continue in effect for a period of five (5) years. Absent any change to this agreement, which shall require the unanimous approval of all participating municipal corporations by majority vote of each such corporation's governing body, such Agreement shall automatically renew for successive five (5) year periods thereafter.

IN WITNESS WHEREOF, this agreement has been executed on the day and year first above written.

Board of Sole Cooperative Educational Services
Sole Supervisory District
Franklin-Essex-Hamilton Counties

By: Stephen P. Shaper

Brushton-Moira Central School District

By: Doreen M. Andrie

Chateaugay Central School District

By: Loretta Fowler

Lake Placid Central School District

By: Kon Catania

~~Malone Central School District~~

By: [Signature]

St. Regis Falls Central School District

By: Wayne C. Walbridge

Salmon River Central School District

By: Dr. Stan Hansen

Saranac Lake Central School District

By: Diane Fox

Tupper Lake Central School District

By: [Signature]

12. Voluntary withdrawal from the FEHSDHIC and Plan shall be effective only once annually on the last day of the Plan year as may be established from time to time by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairperson of the Board of Directors and the Treasurer prior to April 1. Failure to give such notice shall automatically extend a Participant's membership and obligation under the agreement for another Plan year, unless all other Participants shall consent to such withdrawal. Any withdrawing Participant shall be responsible for their prorata share of any Plan deficit or entitled to any prorata share of surplus that may exist on the date of said withdrawal. The Plan surplus or deficit shall be based on actual expenses. These expenses will be determined one year after the end of the fiscal year in which the District withdraws. Said surplus or deficit will therefore include recognition of any claims/expenses incurred at the time of withdrawal, but not yet paid. Such prorata share shall be based on the Participant's cumulative premium contribution to the Plan as a percentage of the total cumulative premium contributions to the Plan during the period of participation. This percentage amount would then be applied to the surplus or deficit attributable to the period of time such District was Participant in the Plan. Any prorata surplus amount due the Participant will be paid to the Participant one year after the effective date of said termination. Any deficit amount due will also be due and payable one year after the effective date of termination.
13. If surplus funds exist at the end of any fiscal year, any distribution of such funds shall be determined by the Board of Directors, which may alternatively retain such excess amounts or a portion thereof and apply such amounts in preparing the Plan's budget for the following year.
14. All monies paid to the Treasurer by the individual Participants shall be pooled and administered as a common fund. Except as above provided, no refunds shall be made to a Participant and no assessments shall be charged a Participant other than the annual premium equivalent except as determined by the Board of Directors, which shall be authorized to assess Participants for additional contributions, (a) if actual and anticipated losses due to benefits paid out, administrative expenses and reserve and surplus requirements exceed amounts held in the Plan's joint funds, or (b) if the Plan's reserve fund drops below twenty-five percent (25%) of expected incurred claims and expenses