

FRANKLIN-ESSEX-HAMILTON SCHOOL DISTRICTS'

HEALTH INSURANCE CONSORTIUM

MUNICIPAL COOPERATION AGREEMENT TO PROVIDE HEALTH BENEFITS

This agreement made the 1st day of July, 1991 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 Gale Road, Brushton, New York 12916, and

Chateaugay Central School District, a Central School District having a mailing address of River Street, Chateaugay, New York 12920, and

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

Long Lake Central School District, a Central School District having a mailing address of School Street, Long Lake, New York 12847, and

Malone Central School District, a Central School District having a mailing address of College Avenue, 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 Bombay Road, Ft. Covington, New York 12937, and

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

Tupper Lake Central School District, a Central School District having a mailing address of Chaney Avenue, Tupper Lake, New York 12986,

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, Section 92-a, 119-o of the General Municipal Law authorizes 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 shall furnish health benefits for those employees which each Participant individually elects to include in the health plan (hereinafter referred to as the "Plan")
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.
3. Except as otherwise provided in this agreement, a quorum for a meeting of the governing board 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.
 - 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.
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- 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:
 - 1) the insurance carrier or carriers, if any, who are to provide the stop-loss insurance coverage during the next Plan year commencing July 1st, and

 - 2) 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) 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 two-thirds vote of the full Board another Administrator is designated.
5. The BOCES Treasurer (hereinafter referred to as the Treasurer) shall act as fiscal officer of the Plan and disbursing agent for all payments made by the Plan.
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 with the unanimous vote of the Board of Directors and subject to the terms and conditions established by the Board of Directors. 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. All monies paid by the Participants to the Treasurer shall be deposited and/or invested in one or more of the banks normally used by the BOCES in the conduct of their business and invested in other banks at the discretion of the Treasurer, subject to the provisions of law governing the deposit of municipal 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 annual premium equivalent, by enrollee classification, as recommended by the Board of Directors, shall be subject to its prior approval. 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.

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, the distribution of such funds shall be determined by the Board of Directors.
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.
15. Funds not required for payment of current obligations may be temporarily invested by the Treasurer as authorized under the applicable laws of the State of New York.

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. Any change to this agreement may be made only upon the unanimous approval of all Participants.

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

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

By: Keith E. Prosper
Keith E. Prosper, President

Brushton-Moira Central School District
By: Daniel M. Durant
Daniel Durant, President

Chateaugay Central School District
By: John G. Swanston
John G. Swanston, President

Lake Placid Central School District
By: John F. Dixon
John F. Dixon, President

Long Lake Central School District
By: Robert Lustberg
Robert Lustberg, President

Malone Central School District

By: *Jane Childs*
Jane Childs, President

St. Regis Falls Central School District

By: *Harriet L. Maitland*
Harriet Maitland, President

Salmon River Central School District

By: *Marion P. Elliott*
Marion Elliott, President

Saranac Lake Central School District

By: *Thomas J. Buckley*
Thomas J. Buckley, President

Tupper Lake Central School District

By: *Vincent E. Jay*
Vincent E. Jay, President