

OGDENSBURG CITY SCHOOL DISTRICT
OGDENSBURG, NEW YORK

SUBJECT: 2016 Amendment to Municipal Cooperative Agreement

DATE: November 7, 2016

REASON FOR BOARD CONSIDERATION:

The Board of Education must be kept updated on all agreements with regard to the District Employees Medical Plan Fund.

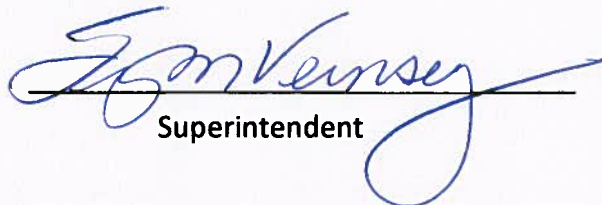
FACTS AND ANALYSIS:

At the request of the St. Lawrence-Lewis Health Plan's Board of Directors, each school district is requested to approve the attached 2016 Amendment to the Plan's Municipal Cooperative Agreement.

RECOMMENDED ACTION:

Moved by _____ and supported by _____ that, having the approval of the Superintendent of Schools, the Board of Education of the Ogdensburg City School District does hereby approve the 2016 Amendment to the Municipal Cooperative Agreement of the St. Lawrence-Lewis Counties School District Employees Medical Plan Fund as per the attached document this 7th day of November, 2016.

APPROVED FOR PRESENTATION TO THE BOARD:


Superintendent

TMV/alf
Attachment

OGDENSBURG CITY SCHOOL DISTRICT BOARD OF EDUCATION RESOLUTION: TO APPROVE THE 2016 AMENDMENT TO THE MUNICIPAL COOPERATIVE AGREEMENT FOR THE ST. LAWRENCE-LEWIS COUNTIES SCHOOL DISTRICT EMPLOYEES MEDICAL PLAN

WHEREAS, the Ogdensburg City School District is a Participant in the St. Lawrence-Lewis Counties School District Employees Medical Plan (the "**Consortium**"), a municipal cooperative organized under Article 5-G of the New York General Municipal Law; and

WHEREAS, the municipal participants in the Consortium, including this body, have approved and executed a certain Municipal Cooperation Agreement (the "**Agreement**"), which provides for the operation and governance of the Consortium; and

WHEREAS, Article 47 of the New York Insurance Law (the "**Insurance Law**") and the rules and regulations of the New York State Superintendent of Insurance set forth certain requirements for governance of municipal cooperatives which offer self-insured municipal cooperative health insurance plans; and

WHEREAS, Section 4705 of the Insurance Law outlines required language to be included in the Agreement of a self-insured municipal cooperative issued a Certificate of Authority pursuant to Article 47 of the Insurance Law; and

WHEREAS, the New York State Department of Financial Service recently completed an audit of the Consortium to include the language contained in the Agreement citing several required amendments; and

WHEREAS, by resolution adopted on October 18, 2016, the Consortium's Board approved an amendment to modify the Agreement as directed by the New York State Department of Financial Services, all as more fully set forth in the 2016 Amendment to the Municipal Cooperative Agreement attached hereto as Exhibit "A" (the "**2016 Amendment**"); and

WHEREAS, Section Q of the Agreement requires that any change or amendment to the Agreement shall require the unanimous approval of the Participants, as authorized by their respective boards of education; and

WHEREAS, the Ogdensburg City School District has determined that it is in the best interest of its constituents who are served by the Consortium to amend the Agreement as set forth in the attached 2016 Amendment, now therefore be it

RESOLVED that the Board of Education of the Ogdensburg City School District approves the following:

Section 1. The 2016 Amendment to the Municipal Cooperative Agreement of the St. Lawrence-Lewis Counties School District Employees Medical Plan attached to this Resolution is approved.

Section 2. The Ogdensburg City School District Clerk is hereby authorized to execute this Resolution to indicate its approval, deliver a copy thereof to the Board of the St. Lawrence-Lewis Counties School District Employees Medical Plan, and take any other such actions as may be required by law.

Section 3. This Resolution shall take effect immediately.

I hereby certify that this Resolution was duly passed by the Board of Education of the

Ogdensburg City School District on the 7th day of November, 2016.

By: _____

Mariah D. Ahmad
Clerk of the Board of Education
Ogdensburg City School District

120 WALTON STREET, SUITE 500
ARMORY SQUARE
SYRACUSE, NY 13202-1180
TEL. 315-425-1424
FAX. 315-425-1394

Memorandum

To: St. Lawrence - Lewis Counties School Employees Medical Plan Participants

From: Locey & Cahill, LLC

Re: Approval of an Updated Municipal Cooperative Agreement

Date: October 18, 2016

The St. Lawrence Lewis Plan has recently undergone an audit by the NYS Department of Financial Services (NYSDFS). This review was extensive and included a thorough review of all of the contracts that pertain to the Plan in relationship to the requirements placed on the Plan by Article 47 of the NYS Insurance Laws.

As part of this review, the NYSDFS reviewed the Municipal Cooperative Agreement that dictates the responsibilities of the Plan and the member districts. As part of this review, the NYSDFS recommended a series of changes to the MCA and has requested that the MCA be replaced with the recommended changes rather than the changes being done as an amendment. The attached document identifies all of the recommended changes along with the email stream that took place between the Plan and the NYSDFS.

It should be noted that the previous version of the MCA was also previously reviewed by the NYSDFS and approved. However, the Plan is now facing this request to update the MCA. The updated MCA was approved by the Plan's Board of Directors at the October 18, 2016 Meeting and now the Agreement must be also ratified by each of the member school boards to ensure each district's continued participation in the Plan.

In order to comply with the request of the NYSDFS, the Plan is requesting that each school district have the attached agreement approved by its Board and have the President of the School Board execute the agreement. It then should be forwarded to the attention of Jayne Carbone at the Plan Administration Office in Canton. In reviewing the attached information, should you have any questions, please feel free to contact us at (315) 425-1424.

THE ST. LAWRENCE-LEWIS COUNTIES SCHOOL DISTRICT EMPLOYEES
MEDICAL PLAN
MUNICIPAL COOPERATION AGREEMENT

Brasher Falls Central School District	Edwards Knox Central School District
Canton Central School District	Lisbon Central School District
Clifton-Fine Central School District	Massena Central School District
Colton-Pierrepont Central School District	Morristown Central School District
Gouverneur Central School District	Norwood-Norfolk Central School District
Hammond Central School District	Ogdensburg City School District
Harrisville Central School District	Parishville-Hopkinton Central School District
Hermon-Dekalb Central School District	Potsdam Central School District
Heuvelton Central School District	St. Lawrence-Lewis Counties BOCES

all of which are referred to as “Participants”.

A. PURPOSES:

1. 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;
2. **Section 92-a** and Section 119-0 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;
3. 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;
4. The Participants in this Agreement have determined to their individual satisfaction that furnishing the health benefits for their officers and employees and retirees (referred to as “employees”) by acting in concert with one another in the manner that is in their best interests;
5. The Participants wish to reflect the current relationship of the municipal corporations and the current terms of their participation in the St. Lawrence-Lewis

Counties School District Employees Medical Plan Fund; the BOCES and the Districts are executing this agreement restating the terms of the existing St. Lawrence-Lewis Counties School District Employees Medical Plan, clarifying certain terms of previous Agreements they signed, amending the previous agreement to reflect the current state of facts including changes required through compliance with Article 47 of the New York State Insurance Law and to make the Plan acceptable to the Superintendent of ~~Financial Services Insurance~~ (the "Superintendent"); and

6. The Participants wish to designate themselves under this agreement as the St. Lawrence-Lewis Counties School District Employees Medical Plan Fund (the "Fund") and to provide health benefits for those employees that each Participant individually elects to include in the St. Lawrence-Lewis Counties School District Employees Medical Plan (the "Plan").

B. PARTICIPANTS

1. Membership in the Fund may be offered to any school district or BOCES located within the counties of St. Lawrence or Lewis, if the school district or BOCES can provide satisfactory proof of its financial responsibility; provided, however, that any current Participant as of the date of this amended Agreement shall continue to be a Participant. Membership shall be subject to the terms and conditions established by the Board of Directors of the Fund.
2. Membership of additional participants shall become effective on the 1st day of the calendar month following the adoption by the Board of Directors of the resolution to accept the entity as a Participant.
3. The Board of Directors, by two-thirds vote of the entire Board of Directors, may elect to permit a school district or BOCES located outside St. Lawrence or Lewis counties to become a Participant of the Plan subject to satisfactory proof, as determined by the Board of Directors, of the Participant's financial responsibility.

C. PARTICIPANTS' LIABILITY

The Participants shall share in the costs of, and assume the liabilities for medical, surgical and hospital benefits provided under the Plan to covered employees **and retirees**, and their dependents. Each Participant shall pay on demand such Participant's share of any assessment ordered by the Fund's Board of Directors, or by the Superintendent under Article 47 or Article 74 of the New York State Insurance Law. The pro rata share shall be based on the Participant's cumulative "premium" contribution to the Plan as a percentage of the total cumulative "premium" contribution to the Plan as a percentage of the total cumulative "premium" contributions to the Plan during the period of participation.

D. BOARD OF DIRECTORS

1. The governing body of the Fund, responsible for management, control and administration of the Plan, shall be a Board of Directors, ("Board of Directors"), composed of one representative of each Participant, who shall be selected by the Board of Education of each Participant annually.
2. Members of the Board of Directors shall serve a term from July 1 through June 30
3. No individual shall be the representative of more than one Participant.
4. No member of the Board of Directors, or any member of the member's immediate family shall be an owner, officer, director, partner or employee of any contract administrator retained by the Fund.
5. Each member of the Board of Directors shall be entitled to one vote.
6. Each Participant may select an alternate to attend the Board of Director's meeting when its representative on the Board of Directors cannot attend. The alternate may participate in the discussions at the Board meeting, but has no vote.
7. A majority of members of the Board of Directors shall constitute a quorum. A quorum is a simple majority (more than half) of the total number of board members. A quorum is required for the board to conduct any business. A majority of the entire board, not simply those present, is required for the board to take any official action.
8. The Board of Directors shall usually meet quarterly, but no less than once annually at a time and place designated by the Chairman.
9. Any vacancy in the Board of Directors shall be filled before the next meeting of the Board, by selection of the Participant's Board of Education who originally selected the position now vacant.
10. No person shall serve as a member of the Board of Directors if he or she, or any member of his or her immediate family, or any entity in which he or she has an ownership interest or with which he or she has a compensation arrangement, has any relationship (including without limitation a contractual relationship) with the Fund that the remaining members of the Board of Directors determine (by majority vote) might impair, or reasonably appear to impair, his or her independent unbiased judgment in the discharge of his or her responsibilities to the Fund.

E. EXECUTIVE COMMITTEE

1. The Board of Directors shall elect from among its members an Executive Committee, which shall consist of the chairman, the vice-chairman, the BOCES's

designated member of the Board of Directors, and 3-at-large members of the Board of Directors. If there is at least one member of the Board of Directors who is a superintendent of one of the Participants, then at least one of the at-large members must be a superintendent.

2. The Executive Committee may meet at anytime between meetings of the Board of Directors. The Executive Committee can only make decisions on claim appeals or take other action as directed by the Board of Directors.
3. A majority of the Executive Committee shall constitute a quorum necessary for any action.

F. SPECIAL ACTIONS BY THE BOARD

- i. The entire Board of Directors shall mean the number of Directors when there are no vacancies. ~~A majority of the entire~~ The Board of Directors is required in accordance with Section 4705 of the New York State Insurance Laws to take action on the following matters:

1. To designate one Board of Directors member to have custody of all reports, statements and other documents of the Fund ~~in accordance with Section 4705 of the New York State Insurance Laws.~~
2. To ~~prepare and~~ approve an annual budget for the Fund, prior to March 1 of each year, and determine the annual premium equivalent to be paid by each Participant for each enrollee classification in the Plan which shall be deposited in the Plan's Joint Fund ~~in accordance with Section 4705 of the New York State Insurance Laws.~~
3. ~~To provide an annual audit, and opinions thereon, by an independent certified public accountant, of the financial condition, accounting procedures and internal control systems of the municipal cooperative health benefit plan; audit receipts and disbursements of the Fund and provide for independent audits, and periodic financial and operational reports to Participants; an annual report and quarterly reports describing the plan's current financial status; and 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 year and projected for the next fiscal year. in accordance with Section 4705 of the New York State Insurance Laws.~~
4. To approve the benefits provided by the Plan including the plan document and summary plan description ~~in accordance with Section 4705 of the New York State Insurance Laws~~, a copy of the Plan effective on the date of this Agreement is incorporated by reference into this Agreement.
5. ~~To contract with third parties, which may include one or more Participants, for the~~

~~furnishing of all goods and services reasonably needed in the efficient operation and administration of the Plan in accordance with Section 4705 of the New York State Insurance Laws.~~

6. To determine each year the insurance carrier or carriers, if any, who are to provide the stop-loss insurance coverage during the next year in accordance with **Article 47 Section 4705 (d)(1)** of the New York State Insurance Law.
 7. To choose the **certified public** accountant and the actuary to provide the reports required by this Agreement and the law ~~in accordance with Section 4705 of the New York State Insurance Laws.~~
 8. ~~To establish a joint fund or funds to finance all plan expenditures, including claims, reserves, surplus, administration, stop loss insurance and other expenses in accordance with Section 4705 of the New York State Insurance Laws.~~
 9. To ~~select~~ **designate annually** the Chief Fiscal Officer (Treasurer) of the Plan, who ~~should~~ **will** be the treasurer of the St. Lawrence-Lewis Counties BOCES.
 10. To designate annually an individual, who serves on the Board of Directors, to serve as the Fund's attorney-in-fact.
 11. ~~To designate the banks or trust companies in which joint funds, including reserve funds, are to be deposited and which shall be located in this state, duly chartered under federal law or the laws of this state and insured by the FDIC.~~
 - 12.
- ii. **The entire Board of Directors shall mean the number of Directors when there are no vacancies. A majority of the entire** ~~The~~ Board of Directors is authorized in accordance with Section 4705 of the New York State Insurance Laws **to take action on the following matters:**
1. To fill any vacancy in any of the officers of the Fund.
 2. To fix the frequency, time, and place of regular Board meetings, and special meetings.
 3. To annually review the performance of any Plan Consultant and to select any Plan Consultant for the upcoming Plan Year, prior to March 1 of each year.
 4. To review, consider and approve any recommendations made by a Plan Consultant or Plan Administrator.
 5. To establish administration guidelines for the efficient operation of the Plan.
 6. To establish financial regulations for the entry of new Participants into the Fund

consistent with all applicable legal requirements.

7. To determine and notify each Participant by March 1st of each year of the monthly premium equivalent for each enrollee classification during the next Plan year commencing the following July 1st.
8. ~~To designate the banks or trust companies in which joint funds, including reserve funds, are to be deposited and which shall be located in this state, duly chartered under federal law or the laws of this state and insured by the FDIC,~~
9. ~~To contract with third parties, which may include one or more Participants, for the furnishing of all goods and services reasonably needed in the efficient operation and administration of the Plan in accordance with Section 4705 of the New York State Insurance Laws. All such contracts shall conform to the requirements of Section 92-a(6) of the General Municipal Law.,~~
10. ~~To establish a joint fund or funds to finance all plan expenditures, including claims, reserves, surplus, administration, stop-loss insurance and other expenses in accordance with Section 4705 of the New York State Insurance Laws,~~

G. OFFICERS

1. The Board of Directors shall elect annually from its members a chairman, vice chairman and secretary. Any vacancy in an officer's position shall be filled at the next meeting of the Board of Directors.
2. Officers of the Fund and employees of any third party vendor, including without limitation the officers and employees of any Participant, who assist or participate in the operation of the Fund, shall not be deemed employees of the Fund. The Board of Directors shall not have any authority to engage the services of any person as an employee of the Fund. Each third party vendor shall provide for all necessary services and materials pursuant to annual contracts with the Fund. The officers of the Fund shall serve without compensation from the Fund.

H. PLAN ADMINISTRATOR

The Board of Directors, by a two-thirds vote of the entire Board of Directors, will annually designate an administrator of the Plan and the other provider(s) who are deemed by the Board of Directors to be qualified to receive, investigate, **audit**, and recommend or make payment of claims, provided that the charges, fees and other compensation for any contracted services shall be clearly stated in written administrative services contracts and payment for such contracted services shall be made only after such services are rendered. **All such contracts shall conform to the requirements of Section 92-a(6) of the General Municipal Law.**

I. ATTORNEY-IN-FACT

The attorney-in-fact shall 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.

J. CHIEF FISCAL OFFICER

1. The Chief Fiscal Officer shall act as fiscal officer of the Fund and disbursing agent for all payments made by the Plan, and shall have custody of all monies either received or expended by the Plan. The Chief Fiscal Officer shall receive no remuneration, except that the Plan will reimburse reasonable out-of-pocket expenses incurred by the Chief Fiscal Officer in connection with performance of his or her duties that relate to the Plan
2. All monies collected by the Chief Fiscal Officer relating to the Plan, shall be pooled and administered as a common fund. The Chief Fiscal Officer shall, subject to the provisions of the General Municipal Law, make payment in accordance with procedures developed by the Plan's Board of Directors acceptable to the Superintendent.
3. The Chief Fiscal Officer shall be bonded for all monies received from the Participants. The amount of such bond shall be established annually by the Participant who regularly employs the Chief Fiscal Officer in such principal amount as deemed adequate to protect the interests of the Participant.
4. All monies collected from the Participants by the Chief Fiscal Officer in connection with the Plan shall be deposited in accordance with policies of the Participant which regularly employs the Chief Fiscal Officer and shall be subject to the provisions of law governing the deposit of municipal funds, or otherwise expressly permitted by the Superintendent.
5. The Chief Fiscal Officer shall account for the Plan's reserve funds separate and apart from all other funds of the Plan, and such accounting shall show:
 - A. the purpose, source, date and amount of each sum paid into the fund;
 - B. the interest earned by such funds;
 - C. capital gains or losses resulting from the sale of investments of the Plan's reserve funds;
 - D. the order, purpose, date and amount of each payment from the reserve fund; and
 - E. the assets of the fund, indicating cash balance and schedule of

investments.

K. PREMIUM CALCULATIONS/PAYMENT

1. The annual premium equivalent shall be based on the community rating methodology filed and approved by the Superintendent (after the Article 47 Certificate of Authority has been issued).
2. The Fund shall maintain reserves in the amounts equal to or exceeding the amounts required for the Plan in accordance with Section 4706 of the New York State Insurance Laws and shall maintain stop-loss insurance to the extent required by Article 47 of the Insurance Law in accordance with Section 4707 of the New York State Insurance Laws.
3. Each Participant's annual premium equivalent, by enrollee classification, shall be paid by the 15th day of each calendar month during the Plan year (July 1st - June 30th). 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 Participants. Failure to make a payment, including any applicable penalties, within sixty days of the due date shall be a basis for determination of exclusion from the Plan.
4. The Board of Directors has the power to assess Participants for additional contributions, if actual losses due to benefits paid out, administrative expenses, and reserve and surplus requirements exceed the amount in the joint funds. Such assessments must be made within 30 days of billing.
5. The Board of Directors, in its sole discretion, may refund amounts in excess of reserves and surplus, as authorized required by law Section 4705 of the New York State Insurance Laws, in the Plan's Joint Funds to participating municipal corporations or retain such excess amounts or a portion thereof and apply these such amounts to the next year's in preparing the Plan's budget for the plan following year.

L. EMPLOYEE CONTRIBUTIONS

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. However, the failure of a Participant to receive the enrollee contribution on time shall not diminish nor delay the payment of the Participant's monthly premium equivalent to the Fund in the manner provided.

M. ADDITIONAL BENEFITS

Any Participant providing more benefits, coverages, or enrollment eligibility other than

that provided under the Plan, may do so at its sole expense. This Agreement shall not be deemed to diminish such Participant's benefits, coverages or enrollment eligibility, the additional benefits and the payment of such additional benefits, shall not be part of the Plan and shall be administered solely by and at the expense of the Participant.

N. REPORTING

The following reports shall be prepared and furnished to the Board of Directors, **the regional representative of all the district's bargaining groups**, to the Participants, and to the Superintendent:

1. Annually, not later than one hundred and twenty days after the close of the Plan's fiscal year:
 - (a) a report showing the financial condition and affairs of the Plan, in such a form and providing such other information as the Superintendent may prescribe, together with an audit, and opinions thereon, by an independent certified public accountant, of the financial condition, accounting procedures and internal control systems of the Plan. Such a report, audit, and opinion thereon must be in compliance with Section 307 of the Insurance Law and Insurance Department Regulation 118.
 - (b) an independent actuarial opinion on the financial soundness of the Plan, including the contribution or premium equivalent rates and reserves, both as paid in the current year and projected for the next fiscal year.
2. Quarterly, within forty-five days of the end of each quarter, a report that is in such a form and providing such other information as the Superintendent may prescribe, showing the financial condition of the Plan as of the end of such Quarter.

O. WITHDRAWAL OF PARTICIPANT

1. Withdrawal from the Plan shall be effective only once annually on the last day of the Plan year, June 30th.
2. Notice of Withdrawal must be given in writing to the Chairman of the Board of Directors and the Chief Fiscal Officer prior to April 30th. Such Notice, once given, shall be irrevocable, and the Participant's withdrawal shall become effective automatically and without further action on June 30th unless the withdrawing Participant and a 2/3rds majority of the other Participants consent in writing to cancellation of the withdrawal. Failure to give timely Notice of Withdrawal in accordance with the first sentence of this paragraph 2 shall automatically extend a Participant's membership and obligations under the Agreement for another Plan Fiscal Year, unless all other Participants shall consent in writing to the Participant's withdrawal notwithstanding such failure.

3. Any withdrawing Participant shall be responsible for its pro rata share of any Plan deficit. The withdrawing Participant shall be entitled to any pro rata share of surplus that may exist on the date of the 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 Participant withdraws.
4. The surplus or deficit will include recognition of any claims/expenses incurred at the time of withdrawal, but not yet paid. Such pro rata 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 the Participant was a Participant in the Fund. Any pro rata surplus amount due the Participant will be paid to the Participant one year after the effective date of the withdrawal. Any pro rata deficit amount will be billed to the Participant by the Plan one year after the effective date of the withdrawal and shall be due and payable within (30) days after the date of such bill.

P. TERMINATION

1. If the Board of Directors determines or reasonably believes that the Plan will terminate, it shall so notify the Superintendent and submit a plan for the Superintendent's approval for winding up the Plans' affairs in an orderly manner designed to result in timely payment of all benefits, in such form and manner as the Superintendent may prescribe.
2. Upon termination of this Agreement, or the Plan, each Participant shall be responsible for its pro rata share of any Plan deficit or shall be entitled to any pro rata share of surplus that may exist, after the affairs of the Plan are closed. No part of any funds of the Plan shall be subject to the claims of general creditors of any Participant until all Plan benefits and other Plan obligations have been satisfied. The Plan's 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 agreement or Plan terminates.
3. Any surplus or deficit will include recognition of any claims/expenses incurred at the time of termination, but not yet paid. Such pro rata share shall be based on each 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 the Participant was a Participant in the Plan.

Q. CHANGES TO AGREEMENT

Any change or amendment to this Agreement may be made upon the approval of each of

all Participants, whose approval requires a majority vote of the entire governing body of the Participant.

R. CONFIDENTIALITY

Nothing contained in this Agreement shall be construed to waive any right that a person possesses covered under the Plan with respect to the confidentiality of medical records and that such rights may only be waived upon the written consent of the covered person.

THE ST. LAWRENCE-LEWIS COUNTIES
SCHOOL DISTRICT EMPLOYEES MEDICAL PLAN
MUNICIPAL COOPERATION AGREEMENT

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3. 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;
4. The Participants in this Agreement have determined to their individual satisfaction that furnishing the health benefits for their officers and employees and retirees (referred to as “employees”) by acting in concert with one another in the manner that is in their best interests;
5. The Participants wish to reflect the current relationship of the municipal corporations and the current terms of their participation in the St. Lawrence-Lewis Counties School District Employees Medical Plan Fund; the BOCES and the Districts are executing this agreement restating the terms of the existing St. Lawrence-Lewis Counties School District Employees Medical Plan, clarifying certain terms of previous Agreements they signed, amending the previous agreement to reflect the current state of facts including changes required through compliance with Article 47 of the New York State Insurance Law and to make the

Plan acceptable to the Superintendent of Financial Services (the "Superintendent"); and

6. The Participants wish to designate themselves under this agreement as the St. Lawrence-Lewis Counties School District Employees Medical Plan Fund (the "Fund") and to provide health benefits for those employees that each Participant individually elects to include in the St. Lawrence-Lewis Counties School District Employees Medical Plan (the "Plan").

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1. Membership in the Fund may be offered to any school district or BOCES located within the counties of St. Lawrence or Lewis, if the school district or BOCES can provide satisfactory proof of its financial responsibility; provided, however, that any current Participant as of the date of this amended Agreement shall continue to be a Participant. Membership shall be subject to the terms and conditions established by the Board of Directors of the Fund.
2. Membership of additional participants shall become effective on the 1st day of the calendar month following the adoption by the Board of Directors of the resolution to accept the entity as a Participant.
3. The Board of Directors, by two-thirds vote of the entire Board of Directors, may elect to permit a school district or BOCES located outside St. Lawrence or Lewis counties to become a Participant of the Plan subject to satisfactory proof, as determined by the Board of Directors, of the Participant's financial responsibility.

C. PARTICIPANTS' LIABILITY

The Participants shall share in the costs of, and assume the liabilities for medical, surgical and hospital benefits provided under the Plan to covered employees and retirees, and their dependents. Each Participant shall pay on demand such Participant's share of any assessment ordered by the Fund's Board of Directors, or by the Superintendent under Article 47 or Article 74 of the New York State Insurance Law. The pro rata share shall be based on the Participant's cumulative "premium" contribution to the Plan as a percentage of the total cumulative "premium" contribution to the Plan as a percentage of the total cumulative "premium" contributions to the Plan during the period of participation.

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8. The Board of Directors shall usually meet quarterly, but no less than once annually at a time and place designated by the Chairman.
9. Any vacancy in the Board of Directors shall be filled before the next meeting of the Board, by selection of the Participant's Board of Education who originally selected the position now vacant.
10. No person shall serve as a member of the Board of Directors if he or she, or any member of his or her immediate family, or any entity in which he or she has an ownership interest or with which he or she has a compensation arrangement, has any relationship (including without limitation a contractual relationship) with the Fund that the remaining members of the Board of Directors determine (by majority vote) might impair, or reasonably appear to impair, his or her independent unbiased judgment in the discharge of his or her responsibilities to the Fund.

E. EXECUTIVE COMMITTEE

1. The Board of Directors shall elect from among its members an Executive Committee, which shall consist of the chairman, the vice-chairman, the BOCES's designated member of the Board of Directors, and 3-at-large members of the Board of Directors. If there is at least one member of the Board of Directors who is a superintendent of one of the Participants, then at least one of the at-large members must be a superintendent.
2. The Executive Committee may meet at any time between meetings of the Board of Directors. The Executive Committee can only make decisions on claim appeals or take other action as directed by the Board of Directors.

3. A majority of the Executive Committee shall constitute a quorum necessary for any action.

F. SPECIAL ACTIONS BY THE BOARD

- i. The entire Board of Directors shall mean the number of Directors when there are no vacancies. The Board of Directors is required in accordance with Section 4705 of the New York State Insurance Laws to take action on the following matters:
 1. To designate one Board of Directors member to have custody of all reports, statements and other documents of the Fund.
 2. To prepare and approve an annual budget for the Fund, prior to March 1 of each year, and determine the annual premium equivalent to be paid by each Participant for each enrollee classification in the Plan which shall be deposited in the Plan's Joint Fund.
 3. To provide an annual audit, and opinions thereon, by an independent certified public accountant, of the financial condition, accounting procedures and internal control systems of the municipal cooperative health benefit plan; audit receipts and disbursements of the Fund and provide for independent audits, and periodic financial and operational reports to Participants; an annual report and quarterly reports describing the plan's current financial status; and 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 year and projected for the next fiscal year.
 4. To approve the benefits provided by the Plan including the plan document and summary plan description, a copy of the Plan effective on the date of this Agreement is incorporated by reference into this Agreement.
 5. To determine each year the insurance carrier or carriers, if any, who are to provide the stop-loss insurance coverage during the next year in accordance with Section 4705 (d)(1) of the New York State Insurance Law.
 6. To choose the certified public accountant and the actuary to provide the reports required by this Agreement and the law.
 7. To designate annually the Chief Fiscal Officer (Treasurer) of the Plan, who will be the treasurer of the St. Lawrence-Lewis Counties BOCES.
 8. To designate annually an individual, who serves on the Board of Directors, to serve as the Fund's attorney-in-fact.

9. To designate the banks or trust companies in which joint funds, including reserve funds, are to be deposited and which shall be located in this state, duly chartered under federal law or the laws of this state and insured by the FDIC.
- ii. The entire Board of Directors shall mean the number of Directors when there are no vacancies. The Board of Directors is authorized in accordance with Section 4705 of the New York State Insurance Laws to take action on the following matters:
1. To fill any vacancy in any of the officers of the Fund.
 2. To fix the frequency, time, and place of regular Board meetings, and special meetings.
 3. To annually review the performance of any Plan Consultant and to select any Plan Consultant for the upcoming Plan Year, prior to March 1 of each year.
 4. To review, consider and approve any recommendations made by a Plan Consultant or Plan Administrator.
 5. To establish administration guidelines for the efficient operation of the Plan.
 6. To establish financial regulations for the entry of new Participants into the Fund consistent with all applicable legal requirements.
 7. To determine and notify each Participant by March 1st of each year of the monthly premium equivalent for each enrollee classification during the next Plan year commencing the following July 1st.
 8. To contract with third parties, which may include one or more Participants, for the furnishing of all goods and services reasonably needed in the efficient operation and administration of the Plan All such contracts shall conform to the requirements of Section 92-a(6) of the General Municipal Law.
 9. To establish a joint fund or funds to finance all plan expenditures, including claims, reserves, surplus, administration, stop-loss insurance and other expenses in accordance with Section 4705 of the New York State Insurance Laws.

G. OFFICERS

1. The Board of Directors shall elect annually from its members a chairman, vice chairman and secretary. Any vacancy in an officer's position shall be filled at the next meeting of the Board of Directors.
2. Officers of the Fund and employees of any third party vendor, including without limitation the officers and employees of any Participant, who assist or participate in the operation of the Fund, shall not be deemed employees of the Fund. The Board of Directors shall not have any authority to engage the services of any

person as an employee of the Fund. Each third party vendor shall provide for all necessary services and materials pursuant to annual contracts with the Fund. The officers of the Fund shall serve without compensation from the Fund.

H. PLAN ADMINISTRATOR

The Board of Directors, by a two-thirds vote of the entire Board of Directors, will annually designate an administrator of the Plan and the other provider(s) who are deemed by the Board of Directors to be qualified to receive, investigate, audit, and recommend or make payment of claims, provided that the charges, fees and other compensation for any contracted services shall be clearly stated in written administrative services contracts and payment for such contracted services shall be made only after such services are rendered. All such contracts shall conform to the requirements of Section 92-a(6) of the General Municipal Law.

I. ATTORNEY-IN-FACT

The attorney-in-fact shall 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.

J. CHIEF FISCAL OFFICER

1. The Chief Fiscal Officer shall act as fiscal officer of the Fund and disbursing agent for all payments made by the Plan, and shall have custody of all monies either received or expended by the Plan. The Chief Fiscal Officer shall receive no remuneration, except that the Plan will reimburse reasonable out-of-pocket expenses incurred by the Chief Fiscal Officer in connection with performance of his or her duties that relate to the Plan
2. All monies collected by the Chief Fiscal Officer relating to the Plan, shall be pooled and administered as a common fund. The Chief Fiscal Officer shall, subject to the provisions of the General Municipal Law, make payment in accordance with procedures developed by the Plan's Board of Directors acceptable to the Superintendent.
3. The Chief Fiscal Officer shall be bonded for all monies received from the Participants. The amount of such bond shall be established annually by the Participant who regularly employs the Chief Fiscal Officer in such principal amount as deemed adequate to protect the interests of the Participant.
4. All monies collected from the Participants by the Chief Fiscal Officer in connection with the Plan shall be deposited in accordance with policies of the Participant which regularly employs the Chief Fiscal Officer and shall be subject to the provisions of law governing the deposit of municipal funds, or otherwise expressly permitted by the Superintendent.

5. The Chief Fiscal Officer shall account for the Plan's reserve funds separate and apart from all other funds of the Plan, and such accounting shall show:
 - A. the purpose, source, date and amount of each sum paid into the fund;
 - B. the interest earned by such funds;
 - C. capital gains or losses resulting from the sale of investments of the Plan's reserve funds;
 - D. the order, purpose, date and amount of each payment from the reserve fund; and
 - E. the assets of the fund, indicating cash balance and schedule of investments.

K. PREMIUM CALCULATIONS/PAYMENT

1. The annual premium equivalent shall be based on the community rating methodology filed and approved by the Superintendent (after the Article 47 Certificate of Authority has been issued).
2. The Fund shall maintain reserves in the amounts equal to or exceeding the amounts required for the Plan in accordance with Section 4706 of the New York State Insurance Laws and shall maintain stop-loss insurance to the extent required in accordance with Section 4707 of the New York State Insurance Laws.
3. Each Participant's annual premium equivalent, by enrollee classification, shall be paid by the 15th day of each calendar month during the Plan year (July 1st - June 30th). 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 Participants. Failure to make a payment, including any applicable penalties, within sixty days of the due date shall be a basis for determination of exclusion from the Plan.
4. The Board of Directors has the power to assess Participants for additional contributions, if actual losses due to benefits paid out, administrative expenses, and reserve and surplus requirements exceed the amount in the joint funds. Such assessments must be made within 30 days of billing.
5. The Board of Directors, may refund amounts in excess of reserves and surplus, as authorized by Section 4705 of the New York State Insurance Laws, in the Plan's Joint Funds to participating municipal corporations or retain such excess amounts or a portion thereof and apply ~~these~~ such amounts in preparing the Plan's budget for the following year.

L. EMPLOYEE CONTRIBUTIONS

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. However, the failure of a Participant to receive the enrollee contribution on time shall not diminish nor delay the payment of the Participant's monthly premium equivalent to the Fund in the manner provided.

M. ADDITIONAL BENEFITS

Any Participant providing more benefits, coverages, or enrollment eligibility other than that provided under the Plan, may do so at its sole expense. This Agreement shall not be deemed to diminish such Participant's benefits, coverages or enrollment eligibility, the additional benefits and the payment of such additional benefits, shall not be part of the Plan and shall be administered solely by and at the expense of the Participant.

N. REPORTING

The following reports shall be prepared and furnished to the Board of Directors, the regional representative of all the district's bargaining groups, to the Participants, and to the Superintendent:

1. Annually, not later than one hundred and twenty days after the close of the Plan's fiscal year:
 - (a) a report showing the financial condition and affairs of the Plan, in such a form and providing such other information as the Superintendent may prescribe, together with an audit, and opinions thereon, by an independent certified public accountant, of the financial condition, accounting procedures and internal control systems of the Plan. Such a report, audit, and opinion thereon must be in compliance with Section 307 of the Insurance Law and Insurance Department Regulation 118.
 - (b) an independent actuarial opinion on the financial soundness of the Plan, including the contribution or premium equivalent rates and reserves, both as paid in the current year and projected for the next fiscal year.
2. Quarterly, within forty-five days of the end of each quarter, a report that is in such a form and providing such other information as the Superintendent may prescribe, showing the financial condition of the Plan as of the end of such Quarter.

O. WITHDRAWAL OF PARTICIPANT

1. Withdrawal from the Plan shall be effective only once annually on the last day of the Plan year, June 30th.
2. Notice of Withdrawal must be given in writing to the Chairman of the Board of

Directors and the Chief Fiscal Officer prior to April 30th. Such Notice, once given, shall be irrevocable, and the Participant's withdrawal shall become effective automatically and without further action on June 30th unless the withdrawing Participant and a 2/3rds majority of the other Participants consent in writing to cancellation of the withdrawal. Failure to give timely Notice of Withdrawal in accordance with the first sentence of this paragraph 2 shall automatically extend a Participant's membership and obligations under the Agreement for another Plan Fiscal Year, unless all other Participants shall consent in writing to the Participant's withdrawal notwithstanding such failure.

3. Any withdrawing Participant shall be responsible for its pro rata share of any Plan deficit. The withdrawing Participant shall be entitled to any pro rata share of surplus that may exist on the date of the 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 Participant withdraws.
4. The surplus or deficit will include recognition of any claims/expenses incurred at the time of withdrawal, but not yet paid. Such pro rata 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 the Participant was a Participant in the Fund. Any pro rata surplus amount due the Participant will be paid to the Participant one year after the effective date of the withdrawal. Any pro rata deficit amount will be billed to the Participant by the Plan one year after the effective date of the withdrawal and shall be due and payable within (30) days after the date of such bill.

P. TERMINATION

1. If the Board of Directors determines or reasonably believes that the Plan will terminate, it shall so notify the Superintendent and submit a plan for the Superintendent's approval for winding up the Plans' affairs in an orderly manner designed to result in timely payment of all benefits, in such form and manner as the Superintendent may prescribe.
2. Upon termination of this Agreement, or the Plan, each Participant shall be responsible for its pro rata share of any Plan deficit or shall be entitled to any pro rata share of surplus that may exist, after the affairs of the Plan are closed. No part of any funds of the Plan shall be subject to the claims of general creditors of any Participant until all Plan benefits and other Plan obligations have been satisfied. The Plan's 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 agreement or Plan terminates.
3. Any surplus or deficit will include recognition of any claims/expenses incurred at the time of termination, but not yet paid. Such pro rata share shall be based on

each 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 the Participant was a Participant in the Plan.

Q. CHANGES TO AGREEMENT

Any change or amendment to this Agreement may be made upon the approval of each of all Participants, whose approval requires a majority vote of the entire governing body of the Participant.

R. CONFIDENTIALITY

Nothing contained in this Agreement shall be construed to waive any right that a person possesses covered under the Plan with respect to the confidentiality of medical records and that such rights may only be waived upon the written consent of the covered person.

All of the above is established by the signatures below of the authorized representatives of the Participants. Signed counterparts of this Agreement shall be deemed to constitute an executed Agreement in the whole.

Brasher Falls Central School District

By: _____
President Board of Education

Canton Central School District

By: _____
President Board of Education

Clifton-Fine Central School District

By: _____
President Board of Education

Colton-Pierrepont Central School District

By: _____
President Board of Education

Edwards Knox Central School District

By: _____
President Board of Education

Gouverneur Central School District

By: _____
President Board of Education

Hammond Central School District

By: _____
President Board of Education

Harrisville Central School District

By: _____
President Board of Education

Hermon-Dekalb Central School District

By: _____
President Board of Education

Heuvelton Central School District

By: _____
President Board of Education

Lisbon Central School District

By: _____
President Board of Education

Massena Central School District

By: _____
President Board of Education

Morristown Central School District

By: _____
President Board of Education

Norwood-Norfolk Central School District

By: _____
President Board of Education

Ogdensburg City School District

By: _____
President Board of Education

Parishville-Hopkinton Central School District

By: _____
President Board of Education

Potsdam Central School District

By: _____
President Board of Education

St. Lawrence-Lewis Counties BOCES

By: _____
President Board of Education