MUNICIPAL COOPERATIVE AGREEMENT
TO PROVIDE HEALTH BENEFITS

This Agreement adopted the 17th day of April 2014 among:

Avon Central School District

Bloomfield Central School District

Caledonia-Mumford Central School District

Canandaigua City School District

Clyde Savannah Central School District

Dansville Central School District

Dundee Central School District

Finger Lakes Community College

Gananda Central School District

Genesee Valley BOCES

Geneseo Central School District

Geneva City School District

Honeoye Central School District

Keshequa Central School District

Livonia Central School District

Lyons Central School District

Manchester-Shortsville Central School District

Marcus Whitman Central School District

Marion Central School District

Mt. Morris Central School District

Naples Central School District

Newark Central School District

North Rose Wolcott Central School District

Palmyra Macedon Central School District

Penn Yan Central School District

Phelps-Clifton Springs Central School District

Red Creek Central School District

Romulus Central School District

Seneca Falls Central School District

Sodus Central School District

Town of Lyons

Victor Central School District

Waterloo Central School District

Wayland-Cohocton Central School District

Wayne Central School District

Wayne-Finger Lakes BOCES

Williamson Central School District

York Central School District

Revised April 17, 2014

WITNESSETH:

WHEREAS, Article 5-G of the General Municipal Law authorized 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 medical and dental insurance policies, 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 county, city, town, village, fire district, school district and board of cooperative education services, and for purposes of this Municipal Cooperative Agreement, Finger Lakes Community College; and

WHEREAS, the Participants in this agreement have determined to their individual satisfaction that they can furnish medical and/or dental benefits for their officers, employees/retirees and COBRA participants (hereinafter collectively 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 Finger Lakes Area School Health Plan;

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

I. INTENT

The Participants collectively shall furnish medical and/or dental benefits for those employees which each Participant individually elects to include in the Finger Lakes Area School Health Plan (hereinafter referred to as the "FLASHP"), subject, however, to FLASHP's eligibility criteria as determined by the Board of Directors from time to time.

II. MEMBERSHIP

The Board of Directors reserves the right to accept/deny entrance into FLASHP, or either the medical or dental Plan, for any reason(s) which in its sole discretion determines is appropriate. Membership in FLASHP may be offered to a municipal corporation if said

municipal corporation can provide satisfactory proof of its financial responsibility. Membership shall be subject to the following terms and conditions established by the Board of Directors.. A Member may participate in the medical or dental Plan, or both, through FLASHP.

A. New Membership

- New Membership will be limited to only educational institutions (public school districts and BOCES).
- Applicants for membership must provide the following information:
  - Three (3) years of claim history for medical and dental benefits, or if only medical or dental benefits is sought, claims history for the benefit for which participation is sought.
  - Three (3) years of premium history for medical and dental benefits, or if only medical or dental benefits is sought, premium history for the benefit for which participation is sought.
  - A census of members participating in medical and dental benefits, or if only medical or dental benefits is sought, a census of members for the benefit for which participation is sought, showing age, family status, etc.
  - Excellus BlueCross BlueShield, Rochester Region (EBCBSRR) or another entity selected by the Board will complete a review of the data within ten (10) business days of an application for Membership and provide an actuarial opinion regarding the risk of the group. The Board of Directors may obtain an independent opinion at its discretion.
- The new Member must be located within Livingston, Monroe, Ontario, Seneca, Wayne and Yates County area. Consideration will be given to out of area groups.
- FLASHP shall not be obligated to provide benefits that exceed Finger Lakes Area School Health Plan's benefits at the time of entry.
- The new Member will be required pay a surcharge to cover its share of any reserves and any rate credits that exist at the time of entry into FLASHP for the Plan(s) in which the new Member participates. If the new Member participates in both the

medical and dental Plans, the surcharge shall be separately calculated for each Plan. The surcharge will be a percentage equal to the cumulative gain for the FLASHP divided by the FLASHP premium for the applicable Plan for the immediately preceding twelve (12) month period. EBCBSRR or another entity selected by the Board will calculate the surcharge amount at the time the new Member joins the Plan. The surcharge amount may be paid by the new Member in a lump sum, or in equal installments for the first twelve (12) months in FLASHP, for the first twenty-four (24) months in FLASHP or for the first thirty-six (36) months in FLASHP through premium add-ons, as selected by the new Member at the time of its entry into FLASHP for the Plan(s) in which the new Member participates. No interest will be charged if a multi-year add-on option is selected. Full payment of the surcharge is required if the new Member terminates participation in the Plan(s) for which the surcharge is assessed, and if the new Member terminates prior to the end of the payment period the remaining amount shall be paid in a lump sum within thirty (30) days of termination.

- New Members participating in the medical Plan will not be eligible to elect the $2 or $5 drug co-pay option as part of their Membership.
- Membership of new Participants shall become effective no earlier than the 1st day of the calendar month following adoption by the Board of Directors of the resolution to accept the entity as a Participant.

B. Withdrawal of Membership

A Member may withdraw from the medical or dental Plan effective only on the last day of the Plan's year, June 30. Notice of Intention to Withdraw must be given in writing to the President of the Board of Directors prior to April 30th. Failure to give such notice shall automatically extend a Participant's membership and obligations for another Plan Year, unless all other Participants shall consent to such withdrawal.

Notwithstanding the foregoing, a Member who has no subscribers under the medical or dental Plan shall be deemed to have withdrawn from the applicable Plan on the date the Member ceases to have any subscribers.

A Member's withdrawal will be under the following conditions:

- the withdrawing Member must pay any unpaid portion of the surcharge imposed on it as a new Member; and
- the withdrawing Member must pay a surcharge equal to its share of any deficit (including anticipated run-offs) of the medical and/or dental Plan(s) in the Plan year in which the Member withdrew from such Plan(s), based on the deficit for the applicable Plan(s) set forth in the completed financial statement for the Plan year in which the member withdrew. The member's share of any such deficit shall be determined by dividing the total premiums (both employer and employee contributions) paid by the member to the applicable Plan from July 1, 2004 to the date the member withdrew from the Plan by the total premiums (both employer and employee contributions) paid by all members to the applicable Plan from July 1, 2004 to the date of the member's withdrawal from the Plan; and
- the withdrawing Member will not be eligible for any profit or fund balance that the applicable Plan may have accumulated at the time of the Member's withdrawal.

Any surcharge paid in accordance with this provision shall be used to reduce the deficit, pay for Plan expenses of the applicable Plan, or for other purposes of the applicable Plan, as determined by the Board of Directors.

III. BOARD OF DIRECTORS

A. Number of Directors and Voting Power

The governing body of FLASHP, responsible for management, control and administration of FLASHP, shall be a Board of Directors ("Board") which shall consist of not less than three Directors, with an odd number of Directors regardless of the size of the Board. Each Director will represent at least two (2) districts or municipal corporations, referred to as a "Region". Each Director shall have one vote on all matters properly brought before the Board. A Director may vote on matters involving either the medical or dental Plan, even if the Director's employer does not participate in that Plan. The Board shall determine the number of Regions

and the districts/municipal corporations which will be in each Region, with a goal of each Region having a relatively comparable number of districts/municipal corporations.

B. Election and Term of Directors

Each Director will be elected by the districts/municipal corporations in his/her Region. In the event of a tie, the Board shall have the discretion to appoint a Director for that Region. Directors in Regions I, II, III or IV will be elected in even-numbered years and will hold office for a two (2) year term until the meeting held in October of the next even-numbered year. Directors in Regions V, VI and VII will be elected in odd-numbered years and will hold office for a two (2) year term until the meeting held in October of the next odd-numbered year. Each Director shall hold office until the expiration of the term for which he/she was elected and until his/her successor has been elected in September and shall have qualified, or until his/her prior resignation or removal.

C. Increase or Decrease in Number of Directors

The number of Directors may be increased or decreased by vote of the Directors. No decrease in number of Directors shall shorten the term of any incumbent Director. The number of Directors resulting from any increase or decrease must remain odd.

D. Newly Created Directorships and Vacancies

Newly created Directorships resulting in an increase in the number of Directors and vacancies occurring in the Board for any reason except the removal of Directors may be filled by a vote of the majority of the Directors in office. Vacancies occurring by reason of removal of Directors without cause shall be filled by vote of the members in the region. A Director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his/her predecessor. An odd number of Directors will always be maintained. If necessary, an at-large member will be elected by all districts/municipal corporations in FLASHP (one vote per district/municipal corporation).

E. Removal of Directors

Any or all of the Directors may be removed for cause by vote of the Members in that Director's region or by action of a majority of the Board. Such causes may include, but are not limited to:

- Failure to attend meetings
- Malfeasance
- Conflict of interest

F. Resignation

A Director may resign at any time by giving written notice to the Board or the President of FLASHP. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or the President, and the acceptance of the resignation shall not be necessary to make it effective.

IV. QUORUM

A majority of the entire Board shall constitute a quorum for the transaction of business or of any specified item of business.

V. ACTION OF THE BOARD

To change this Municipal Cooperative Agreement or any By-law, there must be an affirmative vote of 2/3 of all Directors then appointed and serving. Unless otherwise required by law, or the prior sentence, the vote of a majority of the Directors shall be the act of the Board. Each Director shall have one (1) vote. All actions by the Board must have a motion/second and be adopted by a vote as determined above.

VI. DUTIES OF THE BOARD

The duties of the Board include:

- Monitoring financial performance of FLASHP.
- Communicating with Participants in FLASHP.
- Making decisions regarding renewal rates, renewals, benefit changes, Participant guidelines and eligibility.
- Making decisions regarding entry and departure from FLASHP.
- Determining insurance carrier(s) for medical and dental benefits provided by FLASHP.
- Determining the insurance carrier or carriers, if any, who are to provide the stop-loss insurance coverage.
- Recommending the annual premium rates to be paid by each Participant for each enrollee classification in the medical and dental Plans.
- Maintaining a stop-loss policy or policies to the extent determined by the Board.
- Establishing a joint fund or funds to finance all FLASHP expenditures, including, administration, stop-loss insurance and other expenses.
- Auditing receipts and disbursements, providing for independent audits.
- Preparing and furnishing periodic financial and operational reports to Participants, including an annual report showing the financial condition and affairs of FLASHP no later than 120 days after the close of each fiscal year of FLASHP.
- Electing a President and the selection or designation of other officers.
- Filling vacancies in any of the Board offices.
- Fixing the frequency of regular Board meetings, including the time and place thereof, and the method for calling special meetings. There shall be at least one annual scheduled Board meeting at a time and place in New York State designated in accordance with this agreement.
- Hiring a The FLASHP Consultant(s) or Plan Administrator(s) and annually reviewing the performance of The FLASHP Consultant(s) and/or Plan Administrator(s).
- Reviewing all recommendations made by The FLASHP Consultant or Plan Administrator(s) and approving and implementing all such recommendations approved by the Board.

- Establishing administrative guidelines.
- Contracting 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 FLASHP.
- Designating annually an individual to serve as The FLASHP's attorney.
- Such other matters, as may be reasonable, necessary to provide for the efficient operation and administration of The FLASHP.

VII. STATUS OF OFFICERS AND EMPLOYEES

Officers and employees of any other third party vendor, including without limitation the officers and employees of any Participant who assist or participate in the operation of the The FLASHP, shall not be deemed employees of The FLASHP. The Directors shall not have any authority to engage the services of any person as an employee of The FLASHP. Each third party vendor shall provide for all necessary services and materials pursuant to annual contracts with The FLASHP. The officers of The FLASHP shall serve without compensation from The FLASHP.

VIII. SERVICE OF PROCESS

The President of FLASHP shall receive service of summons or other legal process in any action, suit or proceeding arising out of any contract, agreement or transaction involving FLASHP.

IX. PREMIUM PAYMENTS

Each Participant is responsible to pay premiums directly to the selected insurance carrier. Failure to pay premiums shall be the basis for exclusion of the Participant from the applicable Plan. Any action to exclude a Participant from a Plan for non-payment of premiums shall not

relieve that Participant from its premium obligations to the selected insurance carrier.

X. INDEMINIFICATION

Each Participant will defend with competent counsel, indemnify and hold harmless FLASHP, every other Participant, as well as their directors, officers, employees, agents, successors, and assigns from and against any and all claims, demands, actions, suits and proceedings (whether civil, criminal or administrative), and all liability, loss, expense (including reasonable attorneys' fees), costs or damages, that result, directly or indirectly, from the acts and/or omissions of the Participant, including, but not limited to any expense or loss resulting from inaccurate eligibility information that is provided by the Participant.

XI. TERMINATION OF PLAN

Upon termination of this Agreement, or FLASHP, the selected insurance carrier(s) shall hold all terminal liability and any experience credits.

XII. CONFIDENTIALITY

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

The undersigned President of the Board hereby certifies that the foregoing Municipal Cooperative Agreement to Provide Health Benefits was adopted by a motion duly made, seconded and passed by the Board at a meeting held on the __th day of _____, 2014 to be effective immediately, and that he/she was duly authorized to sign this document on behalf of the Board.

President

Dated: 6/26/2014

The undersigned school district, BOCES or municipal corporation agrees to become a Participant in Finger Lakes Area School Health Plan on _____, 2014 and to be bound by the provisions of the foregoing Municipal Cooperative Agreement to Provide Health Benefits.

Name of School District, BOCES or Municipal Corporation

_____ by:_____

Name and Title

Dated: _____