

Local Law Filing

(Use this form to file a local law with the Secretary of State.)

Text of law should be given as amended. Do not include matter being eliminated and do not use italics or underlining to indicate new matter.

County City Town Village
(Select one.)

of Cortland

FILED
STATE RECORDS

JUL 01 2016

DEPARTMENT OF STATE

Local Law No. 9 of the year 2016

A local law Amending Local Law No. 1 for the Year 2008 Which Established a Plan of Mutual

(Insert Title)

Self-Insurance for Worker's Compensation; Amend Rules and Regulations and

Apportionment

Be it enacted by the Cortland County Legislature of the
(Name of Legislative Body)

County City Town Village
(Select one.)

of Cortland

as follows:

See Attached

(If additional space is needed, attach pages the same size as this sheet, and number each.)

(Complete the certification in the paragraph that applies to the filing of this local law and strike out that which is not applicable.)

1. (Final adoption by local legislative body only.)

I hereby certify that the local law annexed hereto, designated as local law No. 9 of 2016 of the (County)(City)(Town)(Village) of Cortland was duly passed by the Cortland County Legislature on June 23 2016, in accordance with the applicable provisions of law.
(Name of Legislative Body)

2. (Passage by local legislative body with approval, no disapproval or repassage after disapproval by the Elective Chief Executive Officer*.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the (County)(City)(Town)(Village) of _____ was duly passed by the _____ on _____ 20____, and was (approved)(not approved) *(Name of Legislative Body)* (repassed after disapproval) by the _____ and was deemed duly adopted *(Elective Chief Executive Officer*)* on 20 in accordance with the applicable provisions of law.

3. (Final adoption by referendum.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the (County)(City)(Town)(Village) of _____ was duly passed by the _____ on _____ 20____, and was (approved)(not approved) *(Name of Legislative Body)* (repassed after disapproval) by the _____ on _____ 20____. *(Elective Chief Executive Officer*)*

Such local law was submitted to the people by reason of a (mandatory)(permissive) referendum, and received the affirmative vote of a majority of the qualified electors voting thereon at the (general)(special)(annual) election held on _____ 20____, in accordance with the applicable provisions of law.

4. (Subject to permissive referendum and final adoption because no valid petition was filed requesting referendum.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the (County)(City)(Town)(Village) of _____ was duly passed by the _____ on _____ 20____, and was (approved)(not approved) *(Name of Legislative Body)* (repassed after disapproval) by the _____ on _____ 20____. Such local *(Elective Chief Executive Officer*)* law was subject to permissive referendum and no valid petition requesting such referendum was filed as of _____ 20____, in accordance with the applicable provisions of law.

* Elective Chief Executive Officer means or includes the chief executive officer of a county elected on a county-wide basis or, if there be none, the chairperson of the county legislative body, the mayor of a city or village, or the supervisor of a town where such officer is vested with the power to approve or veto local laws or ordinances.

5. (City local law concerning Charter revision proposed by petition.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the City of _____ having been submitted to referendum pursuant to the provisions of section (36)(37) of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of such city voting thereon at the (special)(general) election held on _____ 20____, became operative.

6. (County local law concerning adoption of Charter.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the County of _____ State of New York, having been submitted to the electors at the General Election of November _____ 20____, pursuant to subdivisions 5 and 7 of section 33 of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of the cities of said county as a unit and a majority of the qualified electors of the towns of said county considered as a unit voting at said general election, became operative.

(If any other authorized form of final adoption has been followed, please provide an appropriate certification.)

I further certify that I have compared the preceding local law with the original on file in this office and that the same is a correct transcript therefrom and of the whole of such original local law, and was finally adopted in the manner indicated in paragraph 1 _____ above.

Eric J. M... [Handwritten Signature]

Clerk of the county legislative body, City, Town or Village Clerk or
office designated by local legislative body

Date: 6/24/16

(Seal)

(Certification to be executed by County Attorney, Corporation Counsel, Town Attorney, Village Attorney or other authorized attorney of locality.)

STATE OF NEW YORK
COUNTY OF Cortland

I, the undersigned, hereby certify that the foregoing local law contains the correct text and that all proper proceedings have been had or taken for the enactment of the local law annexed hereto.

Karen L. Stowe [Handwritten Signature]

Signature
County Attorney

Title

County _____
City of Cortland
Town _____
Village _____

Date: 6.24.16

Adopt Local Law "9" of 2016, Amending Law No. 1 for the Year 2008 Which Established a Plan of Mutual Self-Insurance For, Worker's Compensation; Amend Rules And Regulations and Apportionment

WHEREAS, Local Law No. 1 of 2008 Established the Rules and Regulations and Apportionment for the County's Plan of Mutual Self-Insurance for Worker's Compensation, AND

WHEREAS, in some instances municipalities have exceeded the annual assessment, thus causing excessive costs to be covered by the County, AND

WHEREAS, The Budget & Finance Committee recommends amending the Local Law to allow all participating municipalities to share in any costs that exceed the established assessments, AND

WHEREAS, changes have been made to the requirements for reporting of incidents and the addition of penalties added for late compliance, AND

WHEREAS, the proposed local law has been on Legislators desks for the required seven days, and a Public Hearing was held June 23, 2016, NOW THEREFORE BE IT

RESOLVED, that the Cortland County Legislature hereby adopts Local Law "9" of 2016 as follows:

WHEREAS, Cortland County adopted Local Law No. 1 of 1956 establishing a plan of self-insurance as provided for under Article 5 of the New York State Workers' Compensation Law, AND

WHEREAS, the Cortland County Legislature wishes to codify **prior** changes and provide for a limit on the overall obligations of any one participating municipality based upon their ability to tax, NOW THEREFORE

BE IT ENACTED, by the County Legislature of the County of Cortland, as follows:

Section 1. Created.

The plan of self-insurance previously created by Cortland County as provided for in Article 5 of the Workmen's Compensation Law is hereby continued as prescribed herein and shall be known from this point forward by the name of "Cortland County Self-Insured Workmen's Compensation Plan."

Section 2. Administered.

The plan of self-insurance hereby established shall be administered by the County Attorney and overseen by the applicable jurisdictional Legislative Committee. **The County reserves the right to RFP and select the Third Party Administrator (TPA) for the Worker's Compensation Plan.**

Section 3. Participation in Plan.

The County of Cortland, City of Cortland, the Towns of Cortland County, and the Villages within Cortland County may participate in the plan hereby established, and are hereby continued as participating members in such plan.

A. The benefits and protection of this plan shall be and are hereby extended beyond those defined in Article I of the New York State Workers' Compensation Law to include all employees, officers and volunteers of Cortland County, elected or appointive not otherwise defined in Article I.

1. The extension of coverage and protection shall include said employees and officers of those participating municipal agencies which, by resolution of the municipal body, elect to cover and include said employees and officers of said agency under the provisions of the Workers' Compensation Law.

B. In accordance with Section 3 of the New York State Workers' Compensation Law, Cortland County hereby extends the coverage of the plan to Civilian Defense volunteers who are duly enrolled and registered in the office of Fire and Emergency Management of Cortland County for disabilities incurred by Civilian Defense volunteers during authorized training and practice periods or periods of Declared Emergency.

1. The extension of coverage and protection shall include said Civilian Defense volunteers of those participating municipal agencies which, by resolution of the municipal body, elect to cover and include said Civilian Defense volunteers of said agency under the provisions of the Workers' Compensation Law.

C. Annual participant worker's compensation payments must be paid to the County as follows: City of Cortland and Towns must pay no later than April 30th of the respective budget year, and Villages must pay no later than June 30th of the respective budget year. Failure to submit annual worker's compensation payments by July 31st of the respective

budget year, will be considered an election to withdrawn from the plan and the rules that apply under Section 4 "Withdrawal from Plan " will be deemed to be in effect.

D. If any participant has withdrawn from the plan by election or default, in either event, the cost share for remaining participants will be allocated among remaining participants by using the same formula based upon the combined total claims and assessment percentage. The updated allocation plan will be reflected in the letter of September 1st, as noted under Section 6, Apportionment.

Section 4. Withdrawal from Plan.

Any participant in the plan may withdraw therefrom at the beginning of the next ensuing calendar year by filing with the Clerk of the County Legislature on or before the **31st day of July** of any year, a certified copy of a resolution of its governing body electing to withdraw from the plan, upon condition that such participant shall pay, in a lump sum, its estimated share of the outstanding liabilities of the plan as of the date of withdrawal. The **Director of Budget & Finance**, with the approval of the County Legislature may permit said payment to be made in installments. **Installment plans may not exceed two years from date of withdrawal. Any participant who opts out of the plan may not be allowed to re-enter the plan as a participant for a term of five (5) years from the opt out date. The experience claim value of any participant who has withdrawn from the plan and then wishes to re-enter the plan after five years, will utilize the County's last known claims value.**

Section 5. Plan Rules and Regulations.

Participants in the self-insurance plan hereby established shall be subject to the following standards, conditions, rules and regulations:

- A. Participants shall cooperate fully with the County Attorney's in the administration of the plan, and shall prepare and file with the County Attorney such reports and information as may, from time to time, be requested.
- B. Reports of accidents shall be filed within **Twenty-Four (24) Hours** from the time of the accident, or from the time notice thereof has come to the attention of a responsible official or supervisory employee of the participant with the County in a manner determined by the County. [The County is currently using on line forms with a link that directly sends out the forms to person who need them to meet filing requirements and open claims.] **Any penalties or fees incurred due to late filings shall be the responsibility of the respective municipality.**

- C. Participants shall promptly furnish all pertinent information relative to any claim, and shall aid in the investigation of any claim as may be required by the county, any insurer, administrator or tribunal.
- D. If required by the **County Attorney who shall confer with the County Director of Personnel**, every new employee of a participant shall undergo a physical examination before undertaking any of the duties of his employment, except in the case of an emergency, in which event the participant employer shall arrange for such physical examination at the earliest possible time after the employee undertakes such duties. The expense of such physical examination shall be an expense of the plan and paid from the funds thereof.
- E. Participants shall not knowingly employ any person having a permanent physical impairment, as defined by Section 15, Subdivision 8, of the Workmen's Compensation Law, without first requiring such person to furnish a medical report stating the nature and extent of such permanent physical impairment which report shall be filed with the County Attorney's office.
- F. Fines and penalties imposed on the plan for late filing of reports and forms shall be assessed against and paid by the participant if, in the opinion of the **Director of Budget and Finance**, the delay is occasioned by the failure or fault of the participant.
- G. Participants shall take part in and enforce safety and accident prevention programs established by the County Legislature.
- H. Violation of any of the foregoing provisions of this section by any participant shall be punishable in the discretion of the **Director of Budget and Finance**, by the imposition of a penalty, which shall not exceed \$500.00 for each violation, or by a majority vote of the County Legislature, expulsion from the plan.

Section 6. Apportionment.

Apportionment of costs shall be determined by taking the total amount to be assessed and applying the following formula:

- A. Forty percent (40%) of the total revenue for the plan shall be generated based upon assessed valuation. Each participant's share shall be calculated by determining the participant's percentage of full value assessment within the plan and multiplying that percentage of full value assessment by the total amount of revenue to be generated. The County's percentage of full value assessment shall include the full value assessment contained within municipalities not participating in this self-insurance plan.

1. When calculating the full value assessment of the towns of Cortlandville, Homer and Marathon, the village assessment within these towns shall be excluded.
- B. Sixty percent (60%) of the total revenue for the plan shall be generated based upon claims history. Each participant's share shall be calculated by determining the participant's percentage of the average claims paid for the preceding three (3) years, which average claims paid shall be known as the "experience factor", and multiplying that percentage by the total amount of revenue to be generated.

The **Director of Budget and Finance** shall notify each participant in writing, not later than September 1st, of the amount of such assessment and each participant shall pay the County Treasurer the amount so specified in such notice with payment dates **as follows: City of Cortland and Towns must pay no later than April 30th of the respective budget year, and Villages must pay no later than June 30th of the respective budget year.**

Section 7. Limits on Apportionment.

For the purposes of limiting the exposure to a participant for any extraordinary costs that may arise in a given year, participant's assessments shall be limited in accordance with the following schedule which is designed to limit the taxable impact of catastrophic claims on the participant. A participant shall be categorized by the municipality's taxable value. The participant's annual assessment shall be limited to the maximum established assessment for each category **plus a portion of any and all assessments exceeding the maximum assessment which shall be distributed based on the combined percentage of total claims and assessment prior to distribution among all participants.** The maximum assessment and taxable value categories reflect the rates established for base year 2018 and the Total Taxable Value and Maximum Assessment amount will increase by the amount of the CPI annually in a positive fashion, but at no time will these numbers be impacted by a negative CPI. During negative CPI years, the matrix will remain unchanged from the prior year. The CPI index will be based on the United States Department of Labor, Bureau of Labor Statistics annual percentage rate change for the New York region. This calculation matrix may be amended from time to time by the County Legislature by Resolution. The maximum assessment does not apply to Cortland County.

Total Taxable Value		Maximum Assessment	
\$0	to	\$ 25,000,000	\$ 12,500
\$ 25,000,001	to	\$ 35,000,000	\$ 17,500
\$ 35,000,001	to	\$ 45,000,000	\$ 22,500
\$ 45,000,001	to	\$ 60,000,000	\$ 30,000

\$ 60,000,001 to	\$ 90,000,000	\$ 45,000
\$ 90,000,001 to	\$150,000,000	\$ 70,000
\$150,000,001 to	\$250,000,000	\$112,500
\$250,000,001 to	\$400,000,000	\$187,500
\$400,000,001 and above		\$225,000

Section 8. Reserve Established.

A self-insurance contributed reserve is hereby established for the Cortland County Self Insured Worker's Compensation Plan. The maximum which may be contributed to such reserve shall be **Two Million (\$2,000,000) Dollars**. A separate line item is hereby established in the Worker's Compensation Fund operating budget for purposes of funding the reserve account until such time as the reserve fund totals **Two Million (\$2,000,000) Dollars**, the maximum allowed by this Law.

Section 9. **Administrative, Stop Loss and Service Required Fees**

The **Director of Budget and Finance**, subject to appropriation by the County Legislature, may purchase excess or catastrophe insurance, the cost of which shall be chargeable as an expense of the plan.

Administrative Fees from the Third Party Administrator, required services mandated per the NYS Worker's Compensation Board, such as Unified Employee Assessment and Medicaid verification services, shall be treated the same as Stop Loss Insurance, the cost of which shall be chargeable as an expense of the plan on the same percentage basis of the final apportionment percentage calculated in total from Section 6 by all participating members of the plan. Stop Loss fees will be applied 100% for distribution. Administrative Fees will be implemented on a 25% increase basis over four years distribution, i.e. 2018 will be 25%, 2019 will be 50%, 2020 will be 75% and 2021 will be 100%.

Section 10. Conflicts with Previous Laws; Severability of Provisions; Effective Date.

In the event of a conflict or inconsistency between this local law and any previous local laws or resolutions of the County Legislature, this local law shall govern.

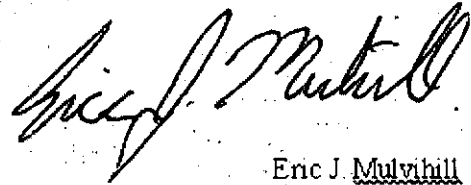
If any clause, sentence, paragraph, subdivision, section or part of this local law shall be adjudged by any court of competent jurisdiction to be invalid, such judgment, decree, or order shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment, decree or order have been rendered.

This local law shall take effect immediately.

STATE OF NEW YORK) SS:
COUNTY OF CORTLAND)

This is to certify that I, the undersigned, Clerk of the Cortland County Legislature, have compared the foregoing copy with the original now on file in this office, and that the above actions were passed by the Cortland County Legislature on the 23rd day of June, 2016 and that the same is a correct and true transcript of such actions taken.

IN WITNESS WHEREOF I have hereunto set my hand
and the official seal of the CORTLAND COUNTY
LEGISLATURE, this 23rd day of June, 2016.



Eric J. Mulvihill
Clerk of the Cortland County Legislature