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Municipalities building a
stable insurance future.

**Greater Tompkins County Municipal Health Insurance Consortium
Board of Directors**

**May 27, 2010
Old Jail Conference Room
Agenda *******

FINAL- 10.28.10

1. Approve April 2010 Minutes VOTE
2. Reserving requirements/ Financial instruments
3. Union participation/ Joint Committee update

Present:

Municipalities:

City of Ithaca - Steve Thayer, County of Tompkins - Joe Mareane, (Proxy)
Town of Caroline - Don Barber, Town of Danby - Laura Shawley, Town of Dryden - Mary Ann Sumner, ,
Town of Groton - Glenn Morey
Town of Ithaca - Judith Drake, Town of Ulysses - Lucia Tyler, Village of Cayuga Heights - Kate Supron,
Village of Dryden - Charles Becker, Village of Groton - Elizabeth T. Conger, Village of Trumansburg - Debbie
Nottke (Proxy)

Union:

CSEA - Chantalise Demarco, President TC3 PAA - Darlene Finn

Absent:

Town of Enfield

In attendance:

Town of Ulysses Roxanne Marino, Locey & Cahill - David M Sanders, County Administration - Marcia Lynch,
County Finance - David Squires, TC3 - Sharon Dovi, CSEA - Margaret Lloyd, Town of Danby - Ric Dietrich,
Ithaca Journal - Stacy Shackford

Consortium Members:

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Welcome Agenda

Chair Don Barber called the meeting to order at 4:31pm.

1. Approval April 2010 Minutes

The minutes were reviewed by the Board of Directors.

Motion: Glenn Morey

Second: Laura Shawley

Comments:

Mr. Barber requested the following changes;

Page three first paragraph (\$2,254,027.58) change to (\$2,265,721.58)

Fifth paragraph "Cash Flow" change (1.9 million) to (1.2 million)

Carried: Unanimously

2. Reserving requirements/ Financial instruments

Mr. Barber began with an announcement that the NYSID must make several key decisions in order to allow the consortium to move forward. Of the three remaining issues, which require approval, the NYSID has had three, two and this month respectively to research and provide the consortium with guidance, policy or an assessment on these three key issues.

Mr. Barber stated that this has become a political issue, requesting that anyone with association to lawmakers to inform them of the situation and request for a timely review of the last remaining obstacles.

Mr. Barber reviewed the consortium Capitalization worksheet, which presented 2010 premiums, percent per municipality, capitalization based on a five year timeline, and annual capitalization payments based on a five year timeline.

Interest and payments must be reviewed as an additional premium, therefore the BOD will review capitalization, interest and other options to be determined in future meetings. Mr. Barber notes that today, this meeting, is to determine proposal, prorata of total reserves, and commitment, in creating a 2.266 million dollar reserve requirement determined by the NYSID to satisfy Article 47 requirements. This will be extremely helpful when requesting that the NYSID make timely decisions.

Each municipality is to pay upfront additional funds, which will be paid back within five years.

Why pay more?

Simple, buy into the consortium, illustrate municipal commitment, reap the benefits associated with the consortium model and being part of a larger group.

Will each municipality be paid back interest for the "capital investment" per se?

Not necessarily, the BOD will have to determine whether or not to provide interest over the five year period and at a rate determined by the BOD. Another option is to pay back each municipalities investment principle only, and use additional funding to ensure stability of premiums or decrease premiums. Again, this is a decision which will be made by the BOD.

A decision was deferred on adopting a Resolution which will determine the consortium's intent.

All the discussed options are considered legal, but are they allowable by the NYSID?

NYMIR is the model we are hoping to follow with the Capitalization, but they are totally different types of insurance. This remains a gray area, until NYSID provides feedback.

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Another funding obstacle is many municipalities have budgeted their 2010 funding under the assumption that they were to switch to the consortium plan sometime this year, January 1 or June 1st, both self-imposed deadlines have passed. The Town of Ithaca is expected to lose \$150,000 if they do not switch this year. This will effect capitalization funding by many.

Individual municipalities discussed their board concerns regarding funding/ capitalization numbers. Mr. Barber stated that our goal is to show the State a significant effort; he concluded with a recommendation that each municipality takes the following idea back to their respective boards, for feedback.

When asked what happens if the NYSID returns with a “No”, Mr. Barber stated that we will be one million dollars short of the reserve requirement.

Mr. Barber remarked that no action be taken at this time, that all in the room have a common goal that “we are still in this together.”

3. Union participation/ Joint Committee update

Mr. Barber began with thanking both CSEA - Chantalise Demarco, President and Darlene Finn, TC3 PAA - for their work and efforts with the following Agreement and working on the concept.

Mr. Barber read the most recent resolution which was forwarded via e-mail earlier today. Mr. Barber read the newest version of the resolution to the BOD.

Approval of the Change to inter-municipal cooperative agreement inclusion of two (2) Labor Union Officials on the Board of Directors

Motion: Don Barber

Second: Elizabeth T. Conger

Discussion:

Mr. Barber requested the following changes:

Change

Whereas, the Consortium must include Labor/ Union representation on its Board of Directors, as required by Article 47 of NYS Insurance Law.

To

Whereas, inclusion of Labor/ Union representation on the Board of Directors, is required by Article 47 of NYS Insurance Law.

Change Section K

Change ALL Advisory Committee references to Joint Committee

Reasoning: Group will be working on plan structure and design, rather than advising

Change Section K , part (5) five to:

The Union Members of the Joint Committee shall select from its members, an additional at large individual to serve as a voting member on the Board of Directors of the Consortium. If the number of municipal members on the Consortium rises to seventeen (17), the Union members of the Joint Committee shall select from among the union membership, an additional individual to serve as a voting member on the Board of Directors of the Consortium.

Vote on amendments made: Move: Don Barber Seconded: Mary Ann Sumner Unanimously Approved

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Vote on the amended motion: Unanimously Approved

Final Resolution: Approval of Change to Inter-Municipal Cooperative Agreement – Inclusion of Two (2) Labor/Union Officials on Board of Directors

Whereas, the inclusion of labor/union representation on its Board of Directors is required by Article 47 of NYS Insurance Law,

Now, Therefore, be it Resolved, that the Consortium hereby agrees to include two (2) labor/union officials as voting representatives on its Board of Directors, effective as of the date of this resolution, and be it further

Resolved, that in order to maintain the general proportion of labor/union representation on the Board (15%), the number of labor/union representatives on the Board of Directors shall increase to three (3) if the number of municipal members on the Consortium rises to seventeen (17), and be it further

Resolved, that the wording of Section K of the Municipal Cooperative Agreement read as follows:

From Municipal Cooperative Agreement:

K. JOINT COMMITTEE ON PLAN STRUCTURE AND DESIGN.

1. There shall be a Joint Committee on Plan Structure and Design (the “Joint Committee”), which shall consist of (a) a representative of each collective bargaining unit that is the exclusive collective bargaining representative of any Enrollee or group of Enrollees covered by the Plan(s) (the “Union Members”); and (b) a representative of each Participant (the “Management Members”.) Management Members may, but are not required to be Directors.
2. The Joint Committee shall review all prospective Board actions in connection with the benefit structure and design of the Plan(s), and shall develop findings and recommendations with respect to such matters. The Chair of the Joint Committee shall report such findings and recommendations to the Board at any regular or special meeting of the Board.
3. The Joint Committee shall select (a) from among the Union Members, an individual who shall serve as Chair of the Joint Committee; and (b) from among the Management Members, an individual who shall serve as Vice Chair of the Joint Committee. The Joint Committee shall establish its own parliamentary rules and procedures.

Other topics:

Weighted voting model was discussed by Mr. Mareane regarding different scenarios of number of smaller municipalities. (A sheet was previously emailed-see attached.) The sheet showed how the 2 votes of the union representatives would affect the weighted voting model. In all the scenarios, if both the City and County voted together a minimum of 3 smaller municipalities would need to vote with them to reach the 2/3rds number needed.

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Questions were raised about how the NYSID will react to discontent by Unions that do not show interest in the Consortium concept. The thought of getting 100% of all the unions was impossible. Insurance Department will need to decide if they will accept the percentage that we do receive.

Issue and concerns over the way the County chose to change the time of the meeting without asking for feedback or consensus was raised by several municipalities. Note: the time was changed from 5:30 to 4:30, due to a County event scheduled that evening, which involved its BOD. Any change should be through all BOD members and feedback provided by all.

Unless good news is received prior to the next meeting it will be the last Thursday of June.

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