

**Governance Structure Committee  
Minutes – Approved  
April 17, 2019 – 5 p.m.  
Legislature Chambers**

Present: Bud Shattuck, Judy Drake, Chuck Rankin, Kevin Williams, Greg Pellicano, Eric Snow, Don Barber, Elin Dowd

Present by Phone: Steve Thayer (excused at 5:56 p.m.), Steve Locey

Excused: Jim Bower, Ed Fairbrother, Olivia Hersey, John Fracchia

**Call to Order**

Mr. Rankin, Chair, called the meeting to order at 5:00 p.m.

**Changes to the Agenda**

There were no changes to the agenda.

**Approval of Minutes – March 25, 2019**

It was MOVED by Mr. Williams, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present, to approve the minutes of March 25, 2019 as presented. MINUTES APPROVED.

**Continued Review/Review of Draft Bylaws**

Mr. Locey said in thinking about what would work since the last meeting in terms of what would be acceptable to the Department of Financial Services and what changes would need to be made to the Municipal Cooperative Agreement, he developed a list of concerns for the Committee to consider. He spoke of the election of officers and recommended minimizing the number of changes to the MCA as well as ease the process of approval by each of the municipalities. Currently, there is language in the MCA whereby the Board of Directors elects the officers of the Consortium and thinks DFS may not support having the officers chosen by a small subset of the Board as opposed to every municipality being represented in that decision. He suggested that no change be made to this section in the MCA and that the primary change relate only to the description of the Executive Committee. He also suggested that an action to remove someone from the Executive Committee should be an action of the Board of Directors, consideration be given to appointing alternates.

Mr. Shattuck raised a concern with placing the responsibility of removing someone to the Board of Directors as that would present the situation in a very large forum when it could be contained within the Executive Committee and dealt with expediently. Mr. Locey agreed that keeping in a smaller subset would help but a situation would be awkward in any regard.

Mr. Barber noted that Article 47 does not give specific direction to appointing officers; however, the Jurat requires signatures of the officers. Municipalities have become accustomed to electing the Consortium's officer; a proposal to take that away would require municipalities to relinquish that ability; Mr. Barber said that might be hard for some to accept. Ms. Drake said the current proposal includes a Nominating Committee that could bring forth a full slate of members of the Executive Committee that could include a list of positions tied to them. She and others agreed with Mr. Locey's suggestion to minimize the number of changes that need approval by DFS.

At this time the Committee resumed review of the existing bylaws. Changes agreed to have been incorporated and follow-up items noted.

*It was noted that Article II, Section 2 (Terms) needs further review including a discussion of term limits.*

Ms. Drake spoke of the amount of work that falls under the responsibility of the Audit and Finance Committee and suggested that consideration be given to creating an operations committee that could take on some of the operational responsibilities of the Consortium. Mr. Barber agreed with this recommendation and said that could be done without waiting for this process to be complete.

Ms. Drake commented that during a discussion she recently had with John Powers, legal counsel for the Consortium, he was clear that there are responsibilities the Board cannot delegate. Those responsibilities included budget adoption, setting premium rates, and plan design. It was suggested that prior to a vote by the Board of Directors that in addition to communicating budget information throughout the year, that a budget webinar could be scheduled once a budget proposal is developed. This would be an opportunity to get input from Directors prior to formal action being taken to adopt the budget.

Mr. Barber will revisit and adjust the document he prepared outlining areas of the MCA that will need revision based on the creation of this model.

It was suggested that Mr. Barber and Ms. Dowd speak with Mr. Snyder and Mr. Thayer to get recommended language to address unanticipated discretionary expenses in Article VII – Operating Budget.

With regard to Article IX – Indemnification it was suggested that insurance be verified.

**BY-LAWS  
OF THE  
EXECUTIVE COMMITTEE  
GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE  
CONSORTIUM**

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**ARTICLE I**

**PURPOSE**

The Municipal Cooperative Agreement (MCA), Paragraph F of the 2020 Amendment to the Municipal Cooperative Agreement of the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) creates the Executive Committee with the powers and duties to conduct business operations for the Consortium, pursuant to the responsibilities granted in the MCA.

**ARTICLE II**

**MEMBERS, QUALIFICATIONS, TERMS OF OFFICE**

Section 1. The Executive Committee of GTCMHIC shall consist of at least eleven (11) but no greater than fifteen (15) members. The size of the Executive Committee may be increased or decreased by the Board of Directors at any Annual Meeting.

*Section 2. Terms of Executive Committee Members shall be staggered such that, as much as practicable, one-third of the Executive Committee shall be elected at each Annual Meeting of the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors "Board of Directors". Thereafter, at each Annual Meeting of the Board of Directors, the successors to members of the Executive Committee shall be elected for three (3) year terms. Except that one Director is the Chairperson of the Joint Committee on Plan Structure and Design ("Joint Committee"), which is elected by members of the Joint Committee on Plan Structure and Design as established by the Municipal Cooperative Agreement.*

Section 3. Each Director shall have one vote to be cast for the election of a member of the Executive Committee.

Section 4. In the event that a vacancy occurs on the Executive Committee more than 45 days prior to any Annual Meeting of Directors, then the Executive Committee may appoint a successor to serve until the following Annual Meeting. Any unexpired balance of the term of such vacant position shall then be filled by vote of the Board of Directors at the Annual Meeting.

Section 5. Quorum of the Executive Committee shall be the simple majority of the full Committee (half plus one).

### **ARTICLE III**

#### **OFFICERS**

Section 1. At the Organizational meeting of the Executive Committee to be held in October, the Executive Committee shall select from amongst their members a Chairperson, Vice Chair, and Secretary, Chairpersons of Standing Committees: Audit and Finance, Owning Your Own Health, Nominations, Claims and Appeals Committees, and such other officers as the Executive Committee shall, from time to time, create through amendment to these By-Laws. Such officers shall be chosen at the Organizational Meeting to serve for one-year terms. As a "rule of thumb" for succession of officers of the Executive Committee will serve for \_\_\_\_ one-year terms, and the Secretary will succeed to Vice Chair and the Vice Chair will succeed to Chair.

Section 2. The Chair serves ex-officio on all committees, shall count toward a quorum and is empowered to vote.

### **ARTICLE IV**

#### **RESIGNATION, VACANCY**

Section 1. Any Director may resign from office at any time by delivering a resignation in writing to the Chair of the Executive Committee, and the acceptance of the resignation, unless required by its terms, shall not be necessary to make the resignation effective.

Section 2. Should any member cease to be an officer, employee, or appointee of the governing body or chief elected as appropriate of the Municipality they represent, they shall automatically cease to be a member of the Executive Committee and the resulting vacancy shall be filled as provided in Article II, Section 4.

## **ARTICLE V**

### **RULES OF PROCEDURE**

Section 1. The Chairperson shall preside at all meetings and, in his or her absence, the Vice-Chair shall preside.

Section 2. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. Physical presence or videoconferencing participation is required.

Section 3. The Executive Committee shall act in all cases by a vote of a majority of the fully constituted Executive Committee.

Section 4. The Executive Committee shall have at least four (4) quarterly meetings each year, including the Annual Meeting of the Board of Directors.

Section 5. Special meetings may be called by the Chair or by any two Committee members.

Section 6. Dates for the Executive Committee meetings will be stated during the Board of Directors' Annual meeting of the year. Meeting dates of the Executive Committee meetings will be published on the GTCMHIC website.

Section 7. Notice of special meetings may be delivered to each member of the Executive Committee or given orally, in person or by telephone or email, one (1) day prior to the date of such special meeting or may be mailed to the business or home address of each member of the Executive Committee at least three (3) days prior to the date of such special meeting. Waivers of notice may be signed prior to, at or subsequent to any such meeting, by any member failing to receive a proper notice. At such a special meeting no business shall be considered other than as designated in the notice, but if all the members of the Executive Committee are present at the special meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

Section 8. Consistent with the commonly accepted parliamentary rules for the conduct of business in small boards, the basic rules of procedure for meetings of the Executive Committee and its committees shall be as follows:

- A. Members must be recognized by the presiding officer before making motions and speaking.
- B. Informal discussion of a subject is permitted while no motion is pending.
- C. The presiding officer puts questions to a vote.
- D. The presiding officer may speak in discussion without leaving the chair.
- E. The presiding officer may make motions, and vote on all questions.
- F. Motions to close or limit debate may be entertained but shall require a two-thirds vote.
- G. Any parliamentary questions or points of order will be ruled on by the presiding officer, and that decision shall be final and binding on all members.
- H. May want to add more or delete except for a statement of agreed Parliamentary procedure

## **ARTICLE VI**

### **COMMITTEES**

Section 1. The Executive Committee shall operate with five standing committees as defined and described below. Committees members will include Directors and other resource persons like Consortium CFO and Treasurer. Committees will work with Executive Director and any appropriate

service providers to develop policies and any recommendations to be submitted to the Executive Committee.

Section 2. Audit and Finance Committee: responsible for investment portfolio, reinsurance, actuary projections, proposing premium rates, large claims, budget, all auditing operations, .... And include the Consortium's Treasurer and CFO.

Section 3. Joint Committee on Plan Structure and Design: 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.

Section 4. Owning Your Own Health Committee: \_\_\_\_\_.

Section 5. Nominations Committee: responsibilities stated in MCA. Committee members are elected by Board of Directors.

Section 6. Claims and Appeals Committee:

## **ARTICLE VII OPERATING BUDGET**

### **Policy Statement**

The objective of the GTCMHIC operating budget is to provide for the insurance needs of its Subscribers and financial security to cover its liabilities. The budget must be carefully constructed to account for: projected claims, fees and taxes, funding of services provided by contractors and Third-Party Administrators, maintenance of statutory and other reserves, Stop-Loss insurance, and to reflect all major sources of revenue. The goal is to provide all parties with the necessary information for more effective planning and decision making.

#### Section 1. Budget Development

The Audit and Finance Committee shall be responsible for the development of an annual budget and 5-year pro-forma analysis.

The Executive Director shall have the overall responsibility for budget preparation.

The preliminary budget shall be designed to reflect the Executive Committee policy and objectives and be adopted by the Executive Committee

The Preliminary Budget is disseminated to the Board of Directors four (4) weeks in advance of the Board of Directors Annual meeting along with a detailed narrative of each line in the budget and 5-year pro-forma analysis.

#### Section 2. Budget Approval

The budget for ensuing fiscal year shall be thoroughly reviewed by the Board of Directors before its final adoption. The budget shall be adopted by majority vote of the Board of Directors at its Annual meeting (in September).

#### Section 3. Budget Implementation

*The administration of the annual budget is a responsibility of the Executive Director in consultation with Audit and Finance Committee, CFO, and Treasurer. Under the direction and control of the Executive Director and in consultation with the Treasurer as needed, funds may be expended within budgetary appropriations without prior approval of the Executive Committee. Extra budgetary expenditures in excess of \_\_\_\_\_ shall require approval of the Executive Committee.*

#### Section 5. Budget Amendments

Budget transfers of up to ten percent (10%) on discretionary expenses shall require the approval of the Executive Committee upon the recommendation of the Audit and Finance Committee.

## **ARTICLE VIII**

### **INDEMNIFICATION**

For all actions of the Executive Committee that fall within the scope of Executive Committee duties and responsibilities, GTCMHIC will defend and indemnify the Executive Committee or any individual Executive Committee member for any claims that may arise as a result of those duties.

## **ARTICLE IX**

### **POLICY ADHERANCE**

Executive Committee members must comply with GTCMHIC Code of Conduct and Conflict of Interest Policy and annually sign this policy.

## **ARTICLE XI**

### **AMENDMENTS**

These By-Laws may be amended or repealed only at a meeting of the Executive Committee for which at least ten (10) days written notice has been previously given to all of the members, and such notice expressly states that the meeting is called to consider certain amendments to the By-Laws of the Executive Committee in addition to such other regular business as may come before the Executive Committee.

### **Adjournment**

There was consensus to engage Mr. Powers at this point in the process. Ms. Drake will notify him of the next meeting date and check his availability.

The meeting adjourned at 6:25 p.m.