

**Governance Structure Committee
Minutes – APPROVED
May 21, 2020 – 3:30 p.m.
Remote Meeting via Zoom**

Present: Judy Drake, Steve Thayer, Bud Shattuck, Chuck Rankin, Eric Snow, Kevin Williams, Jim Bower (arrived at 4:5 p.m.)

Excused: Lisa Holmes

Vacancy: 1 (seat previously held by Greg Pellicano)

Others: Elin Dowd, Executive Director; Michelle Cocco; Clerk of the Board; Don Barber, Consultant; Debra Meeker, Administrative/Computer Assistant; Rob Spenard, Locey & Cahill

Call to Order

Mr. Rankin, Chair, called the meeting to order at 3:36 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes – February 5, 2020

It was MOVED by Ms. Drake, seconded by Mr. Williams, and unanimously adopted by voice vote by members present, to approve the minutes of February 5, 2020 as presented. MINUTES APPROVED.

Department of Financial Services Feedback

Ms. Dowd reported that since the last meeting the Department of Financial Services (DFS) was provided with a copy of the proposed amended Municipal Cooperative Agreement (MCA). Upon following up with the DFS she learned they were not going to complete a review of the MCA because the Consortium did not have a Certificate of Authority for the counties it is currently serving. She reached out to individuals who were involved in securing the original COA including the Consortium's legal counsel; all found this surprising as the Department has audited the Consortium on two occasions, the Consortium has submitted financial filings on a quarterly basis, and has provided DFS with information upon the acceptance of each new Participant. She said the Consortium has a COA to operate within a region; therefore, there was surprise at the Department's response.

Ms. Drake spoke of the conversation she had with Warren Youngs, Supervising Insurance Examiner at DFS. He advised the best course of action for the Consortium would be to provide information to the Department that included the regions it wanted to serve in, the financial stability of the Consortium, what changing the demographics has done to the Consortium's financial situation, and for the Consortium to request that the Certificate of Authority be updated. She expressed appreciation to Mr. Locey and Mr. Barber for their work in crafting a response to Mr. Youngs of which a copy was included in the agenda packet. She said although the Consortium's legal counsel and others believe the Consortium is authorized to operate in any region, she is recommending the Consortium have its COA updated.

In addition, the Department responded to a communication concerning a request to update the COA, stating it could not update the COA if there isn't an updated MCA. The purpose of today's meeting is to update the Committee on the conversations that have taken place and to get support for the six additional counties and also the five surrounding counties.

Ms. Dowd noted there is not an active marketing program, but this would allow consideration of municipalities within those counties without going through a process again to amend the MCA.

Ms. Drake said in her conversations with Mr. Youngs she was trying to get clarity that if the Consortium wanted to expand in the future that could be included in the COA. Mr. Youngs advised that the COA has to include the same counties that are listed in the MCA; therefore, if the Consortium only moved forward with the seven counties that currently are listed in the MCA, to do so would require the MCA to be modified and taken through the approval process. She said in light of this information this is a good time to have discussion of whether the Consortium wants to expand and to include language in the MCA. A map was provided to the Committee highlighting additional counties that represent areas from which interest has been expressed.

Mr. Shattuck referred to the map and suggested including the other adjoining counties of Oswego, Madison, Ontario, and Wayne. Mr. Barber commented that including more counties makes sense, particularly if would negate having to go through this process again. Ms. Drake and Ms. Dowd commented that when giving consideration to adding additional counties those who were involved in the discussions wanted to make sure the additional counties are in the Excellus network and meet the same criteria, have similar demographics, and that services in the areas are provided at the same level as they are within the current region. Ms. Dowd noted that any municipality being considered would go through a review process that would include making sure their demographics align with the Consortium's.

Change to MCA to Receive Certificate of Authority

There was discussion of MCA Sections A.3-5 and whether to require a two-thirds vote for acceptance of municipalities outside the current seven-county region. Mr. Shattuck said a lot of work and vetting is done prior to the Board being asked to take action on accepting a municipality into the Consortium; up to this point all votes have been unanimous. Mr. Barber agreed that all information would be vetted in advance and said Article 47 and the MCA clearly states that if a municipality within one of the acceptable counties applies to the Consortium and meets the criteria there is not a reason they cannot be accepted into the Consortium. He noted the only criteria that currently exists relates to a municipality's financial position.

It was MOVED by Ms. Drake, seconded by Mr. Snow, and unanimously adopted by voice vote by members present, to approve the following actions:

- Ms. Cocco will add new counties to Section A.3 of the MCA; A.4 will be left as is, and A.5 will be deleted;
- Ms. Dowd will send the revisions to John Powers, Consortium Legal Counsel;
- Ms. Dowd will send a request to DFS to update the Certificate of Authority to include the four additional counties added;
- Ms. Dowd will resubmit the proposed MCA to Mr. Youngs at DFS and request a response as soon as possible as well as a review of the MCA with comments to be brought back to the Committee

Next Meeting

Upon receipt of a response from DFS a special meeting of the Committee will be set.

Adjournment

The meeting adjourned at 4:04 p.m.