

**Governance Structure Committee  
Minutes – Approved  
August 18, 2017  
Legislature Chambers**

Present: Kevin Levine, Paula Younger (arrived at 3:47 p.m.), Mack Cook, John Fracchia, Judy Drake, Bud Shattuck

Excused: Rich Goldman, Olivia Hersey

Guests: Don Barber, Executive Director; Steve Locey, Consultant (via conference call)

**Call to Order**

Mr. Fracchia, Chair, called the meeting to order at 3:34 p.m.

**Approval of Minutes – July 21, 2017**

It was MOVED by Mr. Fracchia, seconded by Ms. Drake, and unanimously adopted by voice vote by members present, to approve the minutes of the July 21, 2017 meeting. MINUTES APPROVED.

**Review of Survey Results**

The Committee reviewed responses from 23 Directors to questions relating to the current structure and possible options for structure of the Consortium as it continues to grow.

Question 1: Remain with current model of each municipality appointing a Director, which has the opportunity to vote on all issues except those delegated to other parties by Board resolution.

There were 19 Directors who responded that they strongly or somewhat like this option. Comments included a recognition that although the current model may be able to continue for the time being, a number should be identified that would trigger a structure change in the future.

Question 2: Amend the current model with each partner appointing a Director, but the Directors would delegate more authority to standing committees. Standing committees would handle specific decisions, thereby, reducing the need for the Board to meet as often.

There was a strong response to delegating responsibilities to standing committees with 16 responding that they strongly like or somewhat like this option. Comments included a need to exercise care in what would be delegated and committees would need to be aware of their scope and power. A comment was also made that there could be problems if committees were “stacked”. This was discussed by the Committee and it was felt that the bigger issue that exists is getting volunteers to serve on committees. It was also noted that most members are appointed to committees with set terms.

Mr. Fracchia called attention to how Directors had rated what they value and said in addition to being part of the budget process the majority of respondents felt having representation and a vote was very important. He said he would like to find out what the biggest barriers are for people to participate on committees. Reasons that were suggested included time of meetings, finding members who not only have time to serve but who also have an understanding of health care and who can articulate it back to their municipality.

Ms. Younger arrived at this time.

Ms. Drake noted responses to the questions containing options to reduce or consolidate the number of Directors received the least favorable responses.

Mr. Fracchia said there may be a lack of understanding of the skill set needed by Directors and suggested there may be some benefit for members to clarify the skillsets that work well with the Consortium. Mr. Barber said the only reference to skill in the MCA relates to the Chief Financial Officer and that that individual be from the City of Ithaca or Tompkins County. It was stated that although there are exceptions, many of the Directors are Mayors or Supervisors.

Mr. Fracchia suggested the Committee present a summary of the results and engage in discussion with the Board of Directors. The summary would include a statement that the results seem to indicate that the current structure or a structure that puts more emphasis on the committees seems to be the most preferred structure. Also, to include a comment that the key issues of concern expressed were the ability for municipalities to have representation, have the ability to vote, and be involved in operating decisions.

Mr. Barber said if committees were given more responsibilities and authority it could be done internally by resolution and the Municipal Cooperative Agreement would not need to be amended. He provided a list of actions taken by the Board of Directors over recent years that identified items that the Consortium is required by Article 47 to take action on and items that could be acted on by a committee and reported out on to the Board of Directors. Mr. Fracchia said it would be important to have a clear understanding that there are things that would not require Board authorization. He also noted there are things that may not require Board approval that he would not be comfortable relinquishing authorization of to a committee and those items would need to clearly be identified. Ms. Drake said the intent to delegate more authority to committees would be to reduce the number of Board meetings and noted those items could still be reported out to the Board.

Mr. Cook suggested the following list of items that he feels should continue to be delegated to the Board of Directors:

- Formation of committees including membership and scope of responsibilities;
- Admittance of new members to the Consortium;
- Approval of consultant and plan administrator contracts;
- Appointment of auditor;
- Annual approval of budget and associated premium rates;
- Appointment of Executive Director; and
- Election of officers

Mr. Levine said it is important to consider what should be delegated to committees and what may be delegated to committees. Mr. Barber said occasionally there may be a need for a committee to be formed and if the Board meets less often consideration might be given to allow the Executive Committee to have the capability to take that action to prevent delays in proceeding on an issue.

Mr. Barber addressed a suggestion of videoconferencing and said although it is permitted in the MCA, at the present time the Consortium does not have this technology in place but could be made possible in the future.

### **Next Steps**

Mr. Fracchia suggested as a next step to report to the Board and get reactions to the results of the survey and to offer information about a more-refined model that includes having less Board meetings and what a likely committee structure would like.

It was stated that because the Consortium has been operating for over six years most actions are now routine and can be planned for. However, there needs to be a mechanism to address unanticipated issues. Ms. Drake commented that the Executive Committee's role needs to be outlined more thoroughly. Mr. Barber agreed and said there should be discussion of all committees and what the charge for each would be.

Mr. Shattuck said rather than delegating more authority to committees he sees this as a change in the way information on minutia items is presented to the Board. He suggested those items could be included on an agenda for information. Mr. Cook suggested a procedure be established by which a decision of a committee could be appealed or overridden.

Ms. Younger referred back to the issue of representation and engagement and said she would like to make sure that when this model is looked at that someone will understand how it addresses representation. Ms. Drake said this would come back to committees and how they are structured. Ms. Younger said if presented to the Board it should be indicated that diverse representation on these committees is critical and questioned how that would happen when it is currently a challenge to get representation. Mr. Cook spoke of the need to reach out to convince people they need to participate and said this has to be driven by municipalities.

A question was raised as to whether there is a penalty for non-attendance at meetings. Ms. Drake said there is not a penalty, however, attendance is tracked. Mr. Fracchia suggested that if a municipality is getting the benefit of being in the Consortium there could be a consequence such letting a municipality know that if they are not participating in the decision-making process it would still be bound by that process. Mr. Barber commented that after each meeting a notification is sent to each Director who was not in attendance informing them of all actions that were taken with a request to acknowledge the notification. Mr. Cook suggested that a penalty or consequence of non-participation could be exclusion from an appellate process.

Mr. Fracchia suggested a draft option to delegate more responsibility to committees be developed for the Committee to review. The Committee agreed to communicate via e-mail on a draft option that Mr. Barber will prepare. Ms. Drake cautioned against putting out too much of an outline without providing Directors information on the results of the survey. She suggested the option be presented along with the survey results and be referenced as what looks like what has the greatest possibility is a change in committee structure with a list of things that need to be weighed and worked on. She said there would also need to be discussion of what the right time would be to make the change.

### **Input from Attorney on Name Change**

Mr. Barber reported following discussion at the last meeting about the possibility of the Consortium changing its name he consulted with the Consortium's legal counsel, John Powers. Mr. Powers advised it would be a significant action that would involve the Department of Financial Services and would likely raise a lot of questions. Mr. Cook commented and there was agreement that there is a lot of good will and credibility at the State level associated with the Greater Tompkins County Municipal Health Insurance Consortium.

Mr. Shattuck noted that one thing that strongly stood out from the responses was that Directors don't want to lose representation and also want to continue to hear the financial report from the consultant.

Ms. Drake commented that as municipalities join the Consortium additional labor seats are created even if those municipalities do not have labor. Mr. Barber said this is a problem that he recognized a long time ago and he has talked with CSEA about it. He said there is not a venue to get in front of labor to talk about the Consortium and there is a large part of labor that still knows very little, if anything, about the Consortium. He said before making any change he would like to explore ways to open communication with labor.

#### **Next Meeting**

The next meeting was scheduled for October 6<sup>th</sup> at 3:30 p.m. in Legislature Chambers.

#### **Adjournment**

The meeting adjourned at 4:51 p.m.