

**Governance Structure/MCA Review Committee**  
**Minutes – Approved**  
**September 4, 2019 – 3:30 p.m.**  
**Town of Ithaca**

Present: Chuck Rankin, Judy Drake, Ed Fairbrother (excused at 4:20 p.m.), Greg Pellicano, Lisa Holmes, Eric Snow, Bud Shattuck  
Excused: Jim Bower, Steve Thayer, John Fracchia, Kevin Williams  
Absent: Olivia Hersey  
Via Phone: Steve Locey, Robert Spenard, Locey & Cahill; Don Barber, Consultant  
Staff: Elin Dowd, Executive Director; Brittini Griep, Administrative Assistant; Michelle Cocco, Clerk of the Board

**Call to Order**

The meeting was called to order at 3:30 p.m.

**Changes to the Agenda**

There were no changes to the agenda.

Ms. Dowd said this is the initial meeting to start the five-year review of the MCA; the process will begin with outreach to each Participant and providing an opportunity to review the 2015 Amended MCA and will culminate with having an amended 2020 MCA in place by September 2020.

**Approval of May 15, 2019 Minutes**

It was MOVED by Mr. Shattuck, seconded by Ms. Holmes, and unanimously adopted by voice vote by members present, to approve the May 15, 2019 minutes as submitted. MINUTES APPROVED.

**Review Process to Make Changes to Municipal Cooperative Agreement (MCA)**

Mr. Barber reviewed the steps and timeline

1. Following the September Board meeting, Participants would be informed of the process and asked to provide the Consortium in writing by January 1, 2020: a resolution offering proposed amendments or a statement that they do not wish to propose any changes;
2. The Consortium would assemble all comments by March 1, 2020 (including comments on a new governance structure) and present to the Board of Directors meeting;
3. Municipal partners would then each be provided with a copy of the proposed amended MCA and asked to review the document with municipal boards and legal counsel and approve the document mid-July;
4. The amended MCA would be sent to the Department of Financial Services for approval;
5. The 2020 Amended MCA would go into effect at the September 2020 Board of Directors meeting and an approved copy would be forwarded to all partners.

Mr. Barber noted that the draft MCA will need to go to John Powers, Consortium Legal Counsel, before March, 2020.

### **Review of Changes Already on the Table**

Mr. Locey provided the following overview of the initial draft MCA for the 2020 Fiscal Year with amendments as suggested by the New York State Department of Financial Services (NYS-DFS"), John Powers of Hancock Estabrook, LLP, the GTCMIHIC Governance Structure Committee, Donald Barber, Consultant to the Consortium, and Locey & Cahill, LLC, also a consultant to the Consortium.

1. Title, Page 1, the date has been changed from 2015 to 2020.
2. Section A, Participants, Paragraph 2, has been changed with the elimination of the list and the inclusion of a table with the Municipal Participants listed by the date in which they joined and in alphabetical order. We will need to add any municipalities joining as of January 1, 2020 to this list once they are accepted by the Board of Directors.
3. Section A, Participants, Paragraph 2, was also amended by creating a new paragraph 3 which includes the current definition of what types of employers or entities may be offered membership into the Consortium based on structure and location. The remaining paragraphs in this Section were then updated for renumbering
4. Section A, Participants, Paragraph 3 has been highlighted as this is a point of contention between the GTCMHIC and the NYS-DFS. In an e-mail dated July 15, 2016, Ms. Adrian Pope, Insurance Examiner, Health Bureau, NYS-DFS indicated that the 2nd sentence in this paragraph ("Notwithstanding anything to contrary set forth in this Agreement, admission of new Participants shall not require amendment of this Section A(2).").
6. Section E, Actions by the Board, Paragraph 1 was amended by replacing the phrase NY Insurance law Article 4705 with NY Insurance Law Section 4705, as requested by Ms. Pope of the NYSDFS in her e-mail dated July 15, 2016.
7. Section E, Actions by the Board, Paragraph 1(i) was added by removing Section E, Actions by the Board, Paragraph 2(h) and placing it in this part of the MCA as directed by Ms. Pope of the NYS-DFS in her e-mail dated July 15, 2016. In addition, per John Powers' red-line draft of the MCA, we added Paragraphs (1(j) and 1(k).
8. Section E, Actions by the Board, Paragraph 2(a) was deleted along with 2(d), 2(e), and 2(f). The remaining paragraphs were ordered as necessary and new Paragraph 2(f) was added based on the work of the GTCMHIC Governance Structure Committee and John Powers' recommendation.
9. Section I, Plan Administrator was amended by adding the word "audit" to the 3<sup>rd</sup> line of the Paragraph as requested by Ms. Pope of the NYS-DFS in her e-mail dated July 15, 2016.

Mr. Locey spoke of the previous process and said the Department of Financial Services had commented that the MCA needed to go through the approval process each time a new municipality joined the Consortium. The Consortium pushed back on this due to the amount of time it would take to go through such an onerous process in asking each municipality to approve and re-sign the MCA. There was consensus to leave the proposed language identified in number 4 above in the proposed amendment.

Mr. Shattuck referred to the list of Participants in the MCA and asked that they be presented in paragraph form.

Ms. Dowd said she would like to start looking at the six-county region and the limitation that currently exists to allow only municipalities within the established geographic boundaries to join. Mr. Locey said there currently is a high number of municipalities that would be eligible to

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join and briefly spoke of differences that exist in different geographic regions, stating that bringing in members farther increases the risk of adverse risk.

Ms. Dowd reported on a proposal that has been circulated that will be considered tomorrow by the Joint Committee on Plan Structure and Design to cap the number of labor Directors to ten under the new governance model. Mr. Fairbrother said he thinks there are opportunities for greater participation and offered the Chemung County facility as an option for videoconferencing.

There was discussion of the proposed new structure; Mr. Locey suggested having presentations that provide an overview of the changes to any interested Participant.

Mr. Fairbrother was excused at this time.

The Committee set the next meeting for November 13, 2019 at 4:30 p.m.; there was consensus to meet regularly once comments start being received.

**Adjournment**

The meeting adjourned at 4:34 p.m.