

**Governance Structure/MCA Review Committee  
Minutes – Approved  
November 13, 2019 – 4:30 p.m.  
Town of Ithaca**

Present: Chuck Rankin, Judy Drake, Greg Pellicano, Lisa Holmes, Eric Snow, Bud Shattuck, Jim Bower (arrived at 4:35 p.m.), Steve Thayer, Kevin Williams  
Excused: Ed Fairbrother, John Fracchia  
Absent: Olivia Hersey  
Via Phone: Steve Locey  
Staff/Guests: Elin Dowd, Executive Director; Don Barber, Consultant; Michelle Cocco, Clerk of the GTCMHIC Board

**Call to Order**

The meeting was called to order at 4:33 p.m.

**Changes to the Agenda**

There were no changes to the agenda.

**Approval of September 4, 2019 Minutes**

It was MOVED by Ms. Holmes, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present, to approve the September 4, 2019 minutes as submitted. MINUTES APPROVED.

**Report on Response from Participants**

Ms. Dowd reported that responses have been received from two municipalities; no changes have been recommended up to this time to the 2015 Municipal Cooperative Agreement.

Mr. Bower arrived at this time.

**Meetings**

Ms. Dowd said in response to questions related to attendance at meetings and the use of videoconferencing to meet a quorum, she communicated with John Powers, the Consortium's legal counsel. He advised that the Consortium is subject to Open Meetings Law which means if someone is not present, they must attend via videoconferencing in order to be counted towards the quorum. If a member calls into a meeting they can participate in the discussion; however, they are unable to vote. The proposed MCA has been revised to reflect this information. Committee bylaws will also be amended to ensure everyone understands these requirements.

She recognized that everyone does not have the necessary equipment and technology to participate via videoconference; therefore, the Consortium will be pursuing setting up satellite locations for members to attend and participate at different locations. Ms. Drake said it will be important for members of the Board, as well as committees to understand this going forward.

Ms. Dowd referenced Section R. "REPRESENTATIONS AND WARRANTIES OF PARTICIPANTS":

*5. The Participant understands and acknowledges that all Directors, or their authorized representatives, are responsible for attending all scheduled meetings. Provided that the quorum rules are satisfied, non-attendance at any scheduled meeting is deemed acquiescence by the absent Participant to any duly authorized Board-approved action at the meeting. However, a Participant that was absent from a meeting will not be presumed to have acquiesced in a particular action taken at the meeting if, within fifteen (15) calendar days after learning of such action, the Participant delivers written notice to the Chairperson that it dissents from such action. The Participant shall also notify the other members of the Board of such dissent. The Chairperson shall direct the Secretary to file the notice with the minutes of the Board.*

In discussion with Ms. Drake about this it was suggested that language be removed that allows a Participant to deliver written notice to the Chairperson and to dissent from an action taken at a Board meeting; and that the vote taken at the meeting be final. She consulted with Mr. Powers about the removal of this language and advised it would not be a problem to remove the language; however, he recalled a specific request being made for this language to be included when the MCA was first drafted.

Mr. Barber spoke against removing the language. He said although it is an administrative burden, there are times when resolutions are amended from the time that they are distributed in an agenda packet. If someone is not present and are not comfortable with the language in a resolution that was adopted this provides an option to let that be known; they may also request a special meeting be called.

Mr. Shattuck felt that removing the language is the right thing to do. If someone has a question they can bring it back to the Board. Mr. Barber said this would not be a practical option as the Board is proposed to meet only one time a year; Mr. Shattuck noted language exists that allows a Director to request a special meeting of the Board. Ms. Drake suggested changing the practice of the Clerk from sending out notification of actions taken to Directors who were not present to send notice and a copy of all actions to Directors.

There was consensus to add the following language: The Clerk of the GTCMHIC shall send notice and provide a copy of all actions taken to all Directors within seven (7) days following each meeting.

### **Counsel Advice on Abstaining from Voting**

Ms. Dowd said to clarify a question and not a particular section in the MCA, Mr. Powers advised on a question that arose relating to whether it is necessary for a Director to disclose why they are abstaining from voting. Mr. Powers advised not to request a Director to disclose why they are abstaining; however, if someone is abstaining due to a conflict of interest that they disclose the conflict and it be recorded in the minutes of the meeting.

### **Language to Address Growth/Expansion Beyond Borders**

Ms. Dowd said instead of expanding the Consortium's geographical boundaries, a section was proposed by Mr. Locey and recommended by Mr. Powers that would allow the Board to accept a participant that is not in the current geographic boundaries outlined in Section A.3. At the suggestion of Mr. Snow the number of years in the section was changed from five to three to align with other sections in the document. The section was also moved to appear as number 4:

*4. The Board, in its sole discretion, and by a two-thirds (2/3) vote of the entire Board, may elect to permit a municipal corporation, who does not satisfy the membership definition set forth in Section A(3), to become a Participant upon consideration of such factors including but not limited to **financial responsibility** **and** the municipal corporation's similarity in terms of risk and demographic make-up to the current Participants of the Consortium. Such municipal corporations must agree to continue as a Participant for a minimum of **three (3) years** upon entry.*

Mr. Rankin questioned what factors would be taken into consideration when participants outside the geographic area are evaluated. Mr. Locey said there will be a lot of factors involved in consideration, including but not limited to: benefits, where subscribers receive medical care, demographics, and group size. The Consortium could develop criteria to consider for participant eligibility when considering a municipality outside its established geographic area. Mr. Shattuck said there needs to be a clear and strong policy to follow in order to consider a municipality outside the geographic area. Mr. Barber spoke of risk and said one of the concerns Mr. Locey spoke of when going outside the area is there being a different provider network that could have different costs. There was consensus to add "financial responsibility" to this section.

### **Timelines**

There was consensus to replace the following wording under Section A. PARTICIPANTS:

*"5. Participation in the Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant is not encouraged and shall not be permitted absent prior Board approval. Further, after obtaining approval, any Participant which negotiates an alternative health insurance plan offering other than the plan offerings of the Consortium with a collective bargaining unit or employee group may be subject to a risk charge as determined by the Board."*

with the following wording:

*Participation in the Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant with active employees not enrolled in Consortium benefit plan options, must, within 3 years of the date of enrolling in the Consortium fully enroll all of their active employees on Consortium plan options or otherwise seek further Board Approval of additional participation or they ~~will~~ **may** be subject to termination of their further participation in the Consortium **under the provisions of Section Q3.***

There was consensus to revise to following language:

### **J. DISSOLUTION; RENEWAL; EXPULSION.**

3. The Participants acknowledge that it may be necessary in certain extraordinary circumstances to expel a Participant from the Consortium. In the event the Board determines that:

*b. A Participant has acted fraudulently or has otherwise acted in bad faith with regards to the Consortium, or toward any individual Participant concerning matters relating to the Consortium, the Board*

*may vote to conditionally terminate said Participant's membership in the Consortium. Upon such a finding by the affirmative vote of two-thirds (2/3) ~~seventy-five percent (75%)~~ of the Participants, the offending Participant shall be given sixty (60) days to correct or cure the alleged wrongdoing to the satisfaction of the Board. Upon the expiration of said sixty (60) day period, an absent satisfactory cure, the Board may expel the Participant by an affirmative vote of two-thirds (2/3) ~~seventy-five percent (75%)~~ of the Participants (exclusive of the Participant under consideration). This section shall not be subject to the weighted voting provision provided in Section D. Any liabilities associated with the Participant's departure from the Consortium under this provision shall be determined by the procedures set forth in Section P of this Agreement.*

Ms. Dowd proposed and there was consensus to approve the following additional changes:

- C.h. - Change in the annual meeting from between October 3<sup>rd</sup> and October 15<sup>th</sup> to September;
- Ea.1. – Change annual budget adoption date from October 15 to October 1;
- P.2. – Change the date notice of a Participant to withdraw from prior to October 3<sup>rd</sup> to prior to September 1<sup>st</sup>.
- L.3. – To conform with current practice, change “shall” to “may”: “A late payment charge of one percent (1%) of the monthly installment then due may be charged by the Board for any payment not received by the first of each month..”.
- I.1. - Change the duties currently outlined as being those of the Chief Fiscal Officer to “Treasurer”.
- Addition of Executive Committee.
- Addendum B – Cap of Labor Directors at 10.
- C.8. The Board shall meet on an annual ~~quarterly~~ basis,

Ms. Drake raised a question as to whether the following language contained in Section E.2.b. is required: “To have a plan consultant (the “Plan Consultant”) contract in place for the upcoming Plan Year, prior to October 1<sup>st</sup> of each year.” Ms. Dowd will look into this.

### **Next Meeting Date**

The next meeting date was set for January 8<sup>th</sup> at 4:30 p.m. At that time the Committee will receive information that has been submitted by municipalities. The Committee will finalize the draft 2020 MCA and Executive Committee Bylaws and circulate to municipalities as soon as possible after that date. Mr. Barber said an attempt should be made to provide the Department of Financial Services a copy of the final draft 2020 MCA before the Board of Directors finalizes the document.

### **Adjournment**

The meeting adjourned at 4:54 p.m.