

Draft
BWC Board of Directors

Governance Committee
Thursday, September 25, 2008 8:00 A.M.
William Green Building
Neil Schultz Conference Center
30 W. Spring St., 2nd Floor (Mezzanine)
Columbus, OH 43215

Members Present: Alison Falls, Committee Chair
Larry Price, Vice Chair
William Lhota
James Hummel
Thomas Pitts

Members Absent: None

Other Directors Present: David Caldwell, Charles Bryan, James Harris, Robert Smith, and Kenneth Haffey (arrived at 8:25 AM)

Counsel Present: John Williams, Assistant Attorney General

CALL TO ORDER

Ms. Falls called the meeting to order at 8:00 AM and the roll call was taken.

MINUTES OF AUGUST 28, 2008

The minutes were approved without further changes by unanimous roll call vote on a motion by Mr. Price, seconded by Mr. Hummel.

NEW BUSINESS / ACTION ITEMS

1. Candidate for Safety & Hygiene Director Position

Marsha Ryan, BWC Administrator, asked this item be postponed. A candidate was offered the position but declined. Efforts will now focus on identifying an additional candidate.

2. Administrator's Objectives for 2008-2009

Administrator Ryan reviewed the report on her objectives for FY 2009. Initially, the heading "Overarching Objectives" should be rephrased as "Principles for Restoring Operational Excellence". This emphasizes the themes of the present administration. The other objectives were reviewed as follows:

I. Flexible Performance Agreement with Governor Strickland

This language has been clarified and pared. Emphasis has been placed on actuarial soundness, replacing the reserve system, benchmarking the administrative expenses, and evaluation of MCO's/medical services for injured workers.

II. Leadership

These objectives include achieving and aligning agency goals, securing the biennial budget which has been very time-consuming, and enhancing internal leadership.

III. Planning

The Enterprise Reporting Package must be perfected, including use of metrics and targets.

IV. External Parties

This emphasizes interaction with outside parties and constituents, including a greater use of Senior Team members in such interaction.

V. Integrity & Ethics

This will always be a point of emphasis, particularly in the promotion of documentation and controls to allow people to make sound decisions.

VI Board of Directors

Board development and acceptance of a Net Asset Policy and an Investment Policy Statement.

Mr. Bryan expressed the willingness of the Board to assist in actuarial staffing. Administrator Ryan noted this is a priority in terms of recruitment. Job descriptions have been sent to the Department of Administrative Services. John Pedrick, Chief Actuarial Officer, advised that OBM has approved three new Actuarial positions. Ms. Falls suggested that the Committee take time to discuss key staffing issues and need for expertise on an ongoing basis, perhaps in Executive Session. Mr. Price reiterated that Senior Team leadership is very

important. Team members should understand they are an important part of helping the Board fulfill its duties.

Ms. Falls opened a discussion as to whether the Administrator's Objectives contain enough performance measures. Mr. Hummel responded in the affirmative. Mr. Bryan commented that an additional focus should be on comparisons to show whether BWC is helping the state be more competitive in terms of attracting business and jobs. Administrator Ryan noted the Enterprise Reporting Package is intended to address such issues, although data capture and analysis must be improved. This is an agency-wide goal.

Mr. Price then addressed the topic of external interaction, keeping the Board updated on BWC's responses to meetings with outside parties, as well as how economic volatility in general is affecting BWC, and how BWC can adjust to changes. Ms. Falls noted these are objectives and can be revised to reflect changing circumstances. External interaction involves both reputation and key relationships. Administrator Ryan explained that she "touches base" with several outside individuals on a regular basis, although not on a social level. Many groups also come in to speak with senior BWC personnel. She is briefed on such meetings. Mr. Price noted that although the position one holds may restrict social interaction, one still needs to be accessible to constituents. Mr. Harris commented that there may even be an upside to higher outside visibility.

It was determined to change the opening language in Subsection VI of the Administrator's Objectives to "Strategic discussion and agreement" rather than "Issuance".

Ms. Falls queried if the Administrator's Objectives should be recommended for approval to the Board, or kept at a discussion level. Mr. Lhota and Mr. Smith recommended Board approval. No dissent was heard. Ms. Falls moved that the Governance Committee recommend to the Board that it approve the Administrator's Objectives for the evaluation period 2008-2009. Mr. Price seconded the motion, which was approved by unanimous roll call vote.

Mr. Lhota queried whether the BWC agreement with Governor Strickland is a continuation of the prior agreement. Administrator Ryan clarified this was the case and no changes are expected going forward.

DISCUSSION ITEMS

1. Calendar

Ms. Falls noted that Governance Guidelines and all Committee Charters are due for their annual review. All directors should have the most recent information as charters will be presented for review by the Governance Committee in November. Ms. Falls, Board Liaison Don Berno and BWC Legal Counsel Ann

Shannon will review both the Governance Guidelines and Charters, and circulate red-lined versions to the Board.

Mr. Lhota requested an opinion on whether exchanges of Word documents by e-mail between the directors complied with the open meetings law. Assistant Attorney General John Williams opined that such action did would be in compliance with the requirements of open meetings.

The Committee members agreed that absent a major policy change, an October Governance Committee meeting would not be necessary. Ms. Falls noted that the charters and other documentation should be on the Board webpage.

ADJOURNMENT

The next Governance Committee meeting is November 20, 2008 at 8:00 AM.

Mr. Lhota moved to adjourn the meeting at 8:40 AM, seconded by Mr. Pitts.

Prepared by Jill Whitworth, BWC Staff Counsel
September 25, 2008

11/21/2008 2:31 PM