

**BWC Board of Directors  
Governance Committee  
Thursday, May 28, 2008, 4:00 P.M.  
William Green Building  
Neil Schultz Conference Center  
30 W. Spring St., 2<sup>nd</sup> Floor (Mezzanine)  
Columbus, OH 43215**

Members Present: Alison Falls, Chair  
Bill Lhota  
Robert Smith

Member Absent: None

Other Directors Present: Kenneth Haffey  
James Harris  
James Hummel  
James Matesich  
Larry Price

Counsel Present: John Williams, Assistant Ohio Attorney General

### **Call to order**

Ms. Falls called the meeting to order at 4:00 p. m. and the roll call was taken.

### **Minutes of April 24, 2008 meeting**

Mr. Lhota moved that the minutes of the April 24, 2008 meeting, be approved. Mr. Smith seconded and the minutes were approved by a unanimous voice vote.

Mr. Lhota requested that an issue regarding the number of members of the Audit Committee be added to the agenda.

### **Discussion items**

#### **Review draft language concerning creation of subcommittees**

Members of the Governance Committee and other Directors discussed the proposed amendment to the committee charters which would allow the creation of subcommittees for each standing committee. Issues included whether to follow Robert's Rules of Order in appointing subcommittees and their chairs; whether the subcommittee members must be confined to members of the committees; and how the committee chair appoints the chair of the subcommittee.

Ms. Falls moved that the Governance Committee recommend to the chairs of the standing committees that language be added to the individual committee charters to provide authority and process for the creation of a subcommittee and that the Governance Committee add the same provision to its charter. Mr. Smith seconded and the motion was approved by unanimous voice vote.

### **Workers' compensation council report**

Marsha Ryan, BWC Administrator, presented a schedule of reports now required by the Ohio Revised Code from BWC to various entities, including the Governor, the legislature, and the Workers' Compensation Council (WCC). She emphasized that the schedule includes reports from various parts of the Revised Code, not just House Bill 100. Ms. Ryan further reported that the Workers' Compensation Council has now been fully appointed and that there may be a meeting during the summer recess of the Ohio General Assembly. She indicated she would be sending selected reports to the WCC members to apprise them of activities that have been accomplished by the Board of Directors and BWC to date. Ms. Ryan also reported that many of the reports on the schedule overlap one another because of being mandated in different legislation and at different times. Also, BWC produces many internal reports which need to be reviewed for continued utility, not just tradition.

After discussion, Ms. Falls stated that the Governance Committee should consider an oversight process to assure that all statutorily mandated reports were submitted to and reviewed by a committee of the Workers' Compensation Board before being released as public records. Furthermore, the committees should then submit the reports to the Workers' Compensation Board with comments. She asked that the document listing the various reports due be updated to include a column noting the responsible committee of the Board for each of the reports.

### **Audit committee membership**

At this point, Ms. Falls asked Mr. Lhota to share his thoughts on the number of Audit Committee members. Mr. Lhota noted the committee currently has only three members and could use the perspective of labor in its deliberations. Mr. Haffey, Chair of the Audit Committee, responded that he was in full agreement with the proposal to add members.

Mr. Lhota moved that the agenda of the May 30, 2008, meeting of the Workers' Compensation Board include an item to expand to five the membership of the Audit Committee and that the chair of the Workers' Compensation Board solicit Directors to add to the committee. Mr. Smith seconded and the motion was approved by unanimous voice vote. The additional members of the Audit Committee will be named at the June Board meeting.

### **Board self-assessment process**

Ms. Falls recommended that the Workers' Compensation Board undertake a self-evaluation process. Self-evaluation is not required by the Ohio Revised Code. However, the New York Stock Exchange requires Board self-evaluations, and this process is now considered a "best practice" among publicly traded companies. The Governance Committee then discussed an example of a self-

assessment form that was compiled from and tailored to the BWC Board from several different board self-assessments.

Mr. Smith commented that the survey has a nice balance of objective and subjective observations. Mr. Price also complimented the draft. Ms. Ryan recommended use of the form by the Workers' Compensation Board for this year. Mr. Haffey requested that the firm of F. Ronald O'Keefe, Fiduciary Counsel review the form. Mr. Hummel requested that there be action items flowing from the assessment. Further discussion was made concerning who would tabulate the results, specifically fiduciary counsel or the Board's legal counsel from the AG's office. The Board members will continue to review the draft questions in the self-assessment and provide feedback to Ms. Falls.

Ms. Falls suggested that members have suggested changes to the draft submitted to Don Berno, Board liaison in the next two weeks. He will incorporate the changes for approval by the Committee at the June meeting.

Mr. Smith moved that the Governance Committee recommend to the Workers' Compensation Board that it move forward with the board self-assessment process as presented today. Mr. Lhota seconded and the motion was approved by unanimous voice vote.

## **Calendar**

Ms. Falls reviewed the Governance Committee calendar for upcoming months. At the June meeting, the Committee will discuss the Board Education program, potential process improvements for the CEO evaluation, and consider the Board self-assessment form and process.

For the agenda of the June meeting of the Governance Committee, Ms. Falls asked that a summary and report of all education sessions conducted since inception of the Workers' Compensation Board be made.

Mr. Lhota recommended that in the annual review of the committee charters there be created a list of items to add or revise. For example, the charter of the Workers' Compensation Board requires use of Robert's Rules of Order; however, the committee charters make no mention of Robert's Rules.

There is no meeting scheduled for July.

## **ADJOURNMENT**

There was a motion by Mr. Lhota, second by Mr. Smith and adjournment by Ms. Falls at 5:45 pm.

Prepared by: Larry Rhodebeck, Staff Counsel  
H:\Word\ldr\WCB Govrnc 0508.doc  
June 4, 2008