The Board of Hampshire Councilors met at the Hampshire County Courthouse, 99 Main Street, Northampton, MA. Moderator Kearns called the meeting to order at 7:26 PM and called the roll:

<table>
<thead>
<tr>
<th>MUNICIPALITY</th>
<th>COUNCILORS</th>
<th>PRESENT</th>
<th>ABSENT</th>
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<tbody>
<tr>
<td>Belchertown</td>
<td>William R. Barnett</td>
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<tr>
<td>Belchertown</td>
<td>Kyle Vincent</td>
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<td>Russell Peotter</td>
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<td>James A. Drawe</td>
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<td>Goshen</td>
<td>Diane Bushee</td>
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<td>Granby</td>
<td>Joseph Furnia</td>
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<td>Donald Pipczynski</td>
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<td>Pelham</td>
<td>John Trickey</td>
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<td>Plainfield</td>
<td>Margaret Keller</td>
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<td>Julie A. Gentile</td>
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<td>Williamsburg</td>
<td>Eileen Stewart</td>
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<td>TOTAL</td>
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Also present: Executive Director Todd Ford; Group Insurance Trust Director Joseph Shea; Attorney David Lawless.

Pledge of Allegiance

Time Scheduled Items: Shea was present to seek approval of the Insurance Year 2018 insurance premiums. The life insurance rate has not changed and was approved for a three year term expiring June 30, 2020. He then reviewed the proposed health and dental insurance premiums. Three quotes were received for the dental plan, which was awarded to Guardian. Although the cost was slightly higher, the company reimburses more to the dentist so there is less out of pocket expenses from the subscriber to make up the difference. Shea also reviewed claims, administrative costs, and reinsurance information for claims over $250k and the net profit/loss since January 2015 for the Health Maintenance Option and Preferred Provider Option. He discussed other reinsurance, adjustments, and pharmacy expenses affecting costs. Different rate options were also presented. The Insurance Advisory Committee is recommending a rate increase of 9.4% for the HMO and 10.8% for the PPO. Shea addressed Councilors questions. He went over the claims adjustments and losses totaling $9.8MM over the last two years. Pharmaceutical costs, which rose 26% two years ago, 39% last year, and just under 10% to date, continue to be the greatest expense. Medical expenses have also risen. The increase in premiums will generate over $5MM in revenue, however, the Trust will continue to lose about $3MM. The Trust has $19.8MM in unrestricted cash. The auditors recommend a reserve of three months’ worth of claims. The Trust will need to raise the premiums or make benefit changes to make up for the loss. In order to make up for the loss, the Insurance Advisory Committee has stated that they would prefer to change the co-pays than increase the deductibles. Stewart noted that the insurance rates didn’t increase for a four year period and went down one year for retirees. Shea added that during that period, rates for other insurance providers went up as much as 25%. Drawe stated that it was difficult to vote in favor of the rates if the Trust is losing money. However, to make up for the loss would mean a catastrophic rate increase for some employees. Shea stated that given the trends, it would be difficult to predict positive growth for next year. Any rate increase will depend on trends, and the claims trends will in turn determine profitability. Stewart moved, Trickey seconded, to approve the life, health, and dental insurance premiums as presented. Discussion continued concerning premium rates, fiduciary responsibility, and the effect of rate increases to subscribers. Councilors also spoke about establishing
a premium rate that will balance the Trust’s budget. Shea reminded Councilors that the cost to
subscribers when increasing the premiums also affects the towns because they pay a portion of the
premium. After some discussion, Drawe moved to **amend the vote to notify the Insurance Trust
Advisory Committee to put forward a balanced budget next Insurance Year.** The amendment
carried: voting no, Barnett, Kearns, Keller, Peotter, Peterson, and Stewart. Motion carried unanimously
as amended.

**Record of Proceedings:** Stewart moved, Drawe seconded, to approve the **December 15, 2016,**
Record of Proceedings as submitted. Motion carried: Bushee, Millard and Vincent abstained.

**Executive Director’s Report:** Ford reported that Director of Energy Operations, Sales and Innovations
Sinead Coleman, Director of Procurement Services Ellen Batchelder, and two Councilors attended the
Mass. Municipal Associations’ (MMA) Annual Trade Show. They talked about regional municipal
solutions and reached out to new and potential customers. Staff has also been working to finalize the
annual report. It is expected to be completed next week. Ford continues with his efforts to obtain funding
for the repair and restoration of the Courthouse. He has been discussing the issue with Senator
Rosenberg. Ford also met with Rep. Scibak to discuss Hampshire Care retiree costs. A letter will be
sent to the legislative delegation seeking relief. Ford noted a letter to the legislative delegation pertaining
to a request to transfer Hampshire Care Other Post Employee Benefits to the state. OPEB accounts for
an annual liability of about $120k. This request will put the HCOG in line with other planning agencies
and COGs. A new newsletter exclusive to energy customers has been created. Councilors received a
copy of the newsletter via email. Batchelder has been reaching out to Purchasing Cooperative
customers to discuss services and needs. Ford has also been working with Department Heads to
develop an outreach calendar to notify customers of electricity rate changes, discuss the Purchasing
Cooperative, and generally keep in touch with customers and member towns. The Solar Renewable
Energy Credits program now serves 1,000 customers. Staff is preparing a customer appreciation event
that will include key solar vendors. The event will also highlight the first customer served, who is still
with the program. The Northampton Community Preservation Committee and City Council have
awarded the HCOG an additional $100k for preservation of the Courthouse. The award is contingent
upon state release of awarded Bond Bill funds. Ford has also met with the Easthampton CPC and
Historical Committee. He will be meeting with the CPC again on February 16th. In addition, Ford met
with the Hadley CPC and Historical Commission and is scheduled to meet with the Hatfield and
Southampton CPCs. The Law Library lease agreement has been signed with the State. This is the third
amendment to the 99 year contract. A student of the Conway School of Landscape Design has prepared
a master plan for the Courthouse lawn. The plan will be used when applying for grant funding for the
preservation and restoration of landscaping around the Courthouse. Yashira Ortiz is being promoted to
Solar and Sustainability Program Coordinator. Ortiz was first hired as Customer Service Representative
for the Electricity Department. She learned and assumed the responsibilities of the SREC program and
has been performing well. Staff has been meeting with marketing and sales consulting firms. This is a
cost saving measure and will be in place of hiring staff. Ford has been working with Batchelder to
develop a strategic plan for the Purchasing Cooperative. It will include new bids, track various
cooperative bids with other organizations, and look at expanding the program. Ford is also looking at
getting an intern to assist with research and development of a business plan that will include potential
new revenue sources. Hampshire Solar Sales finished quarter four of Calendar Year 2016 with excess
revenue of $5,329 and provided 414 kW. The Purchasing Cooperative completed quarter 1 of Fiscal
Year 2017 with a decrease in purchased goods of 24% but with an increase in revenue of 4%. This was
49% more than the anticipated goal. RSVP opportunities include expansion into Hampden County
which is currently not served. RSVP Director Bennett-Jacobs is applying for a $110,000 grant to help
cover the cost of the expansion. Ford noted that the RSVP is one of the best in the state. In response
to a question, Ford stated that electricity sales staff have not met its goals and have been put on notice.
They have been provided with additional sales training and have been given the necessary tools to succeed.

**Executive and Finance Committees Report:** Barnett stated that the Committee has met several times
since the last Full Council Meeting. However a majority of the meetings have been held in Executive
Session to discuss Ford’s contract and the electricity program.
**Electricity and Sustainability Committees Report:** Vincent stated that there was no meeting due to weather conditions.

**Regional and Human Services Municipal Advisory Committee Report:** Due to the late hour, Bushee referred to the items included on the agenda as what was discussed at the meeting.

**Legislative, Charter & Code Committee Report:** Stewart reported that the Committee discussed follow-up to the December legislative summit. The Committee continues to work on a report to send to participants. They reviewed a new bill submitted by Rep. Goldstein-Rose regarding carbon pricing, which was a priority of the summit. The Committee also reviewed the letter to the legislative delegation seeking relief from other post employee benefits of Hampshire Care retirees. Action on a proposed education reimbursement policy was postponed. A meeting was also held with Sen. Rosenberg.

**Executive Director Items:** Kearns explained that the HCOG’s Charter requires that the Executive Director’s performance evaluation be conducted in open session. Barnett stated that Councilors completed an evaluation for Ford. Barnett then provided a summary of the results. Strengths identified included leadership; understanding of the HCOG’s mission and vision; resource development, guiding revenue-generating activities; advertising the needs of the HCOG; building Hampshire Power, Solar, and SREC brokerage; and funding for Courthouse renovations. Challenges included Councilor engagement and participation; reliable revenue stream; diversified revenue sources; and staffing. Bushee commented that Ford was doing an excellent job. She also recognized that some of the staff turnover was the result of contentious Councilor meetings. Furnia questioned how Councilor responses matched Ford’s job description. Stewart explained that Ford’s job responsibilities are contained in the Charter. Ford was directed by the Councilors to raise revenue, which he has done successfully during a difficult time: contentious meetings and transition to an entrepreneurial entity created problems. Because Ford was pressured to improve the HCOG’s financial situation, other areas were not as successful. The Executive Committee has asked that Ford work on improving those areas. Goals have also been set to improve communication between Ford and the Councilors. In turn, Councilors will also work to help support Ford. Trickey questioned how goals are measured. He found the evaluation process difficult to understand. Kearns explained that the process is evolving and improving: changes will be ongoing and revisited throughout the year. The Executive Committee requested that Ford present measurable goals that will be reviewed on a routine basis. Drawe added that Ford has had a lot of pressure to reverse the HCOG’s financial situation. As directed by the HCOG, Ford’s primary goal was to turn the organization around financially, which he did. The mission of the HCOG is to provide services to the towns. This needs to be reviewed and acted upon. The HCOG ended FY2015 in the red and FY2016 in the black: Ford met his goal “outstandingly”. Hampshire Power ended FY2015 with $121k in excess revenue and FY2016 with $915k. Drawe added that he has worked with Ford and with employees during interviews. Some employees have come in not realizing that the position was not what they wanted to do. Keller noted that Gentile did a lot of work updating the evaluation form. If Councilors have specific suggestions to make it more user friendly, Keller suggested that Councilors offer input.

**General Discussion:** Trickey stated that at the last meeting, information about the legislative summit was discussed. He reported that he had the opportunity to work with the State Auditor’s Office on records law, which Trickey felt may be an unfunded mandate. At a seminar held during the MMA Trade Show it was stated that receiving funds for changes in the records law was unlikely because it is an existing law. Trickey will continue to work through the Town of Pelham identifying unfunded mandates. Vincent discussed his opposition to local legislators approving a pay raise. The Governor vetoed the raise, but it is expected to be overridden. Vincent asked the Executive Director to write a letter to our local representatives voting in favor of the increase to encourage them to reconsider their vote and not to pursue an override of the veto. He added that the action was poorly timed, especially in light of escalating health care costs for families. Councilors felt that they did not have enough information to take action. Stewart stated that she wouldn’t vote in favor because it was her opinion that they were underpaid. Councilors also questioned the last time the legislators received a pay increase. Although he agreed with the sentiment, Drawe stated that the Councilors didn’t know how much legislators currently make, how many hours they work, or the amount of time spent in their districts. Vincent withdrew his request.
Executive Session: At 8:55 PM Barnett moved, Stewart seconded, that the Full Council go into Executive Session pursuant to MGL Chapter 30A, §21 (2), to conduct contract negotiations with the Executive Director and to return to open session. All voting yes with a show of hands.

The Councilors returned to open session at 10:14 PM. Drawe moved, Peotter seconded, to accept the contract with the Executive Director as written for a 17 month term commencing January 11, 2017, and expiring June 30, 2018. All voting yes with a show of hands. Ford stated that he was looking forward to working with the Executive Committee and Full Board to make next year a success. He will pursue opportunities for a unique blend of entrepreneurial prospects and working for the communities. The HCOG is a unique body and he expressed his pride in the organization.

Executive Session: At 10:20 PM Stewart moved, Furnia seconded, that the Full Council go into Executive Session pursuant to MGL Chapter 30A, §21(a)(10), to discuss trade secrets or confidential, competitively-sensitive, or other proprietary information provided in the course of activities conducted by a governmental body as an energy supplier under a license granted by the Department of Public Utilities pursuant to section 1F of chapter 164 and not to reconvene in open session. Barnett stated that the purpose of the meeting is to discuss pricing, contractual relationships, marketing strategy, areas of potential future growth and risk, municipal aggregation, strengths, opportunities, weaknesses, and threats. Motion carried unanimously on a roll call vote. The Executive Session adjourned at 11:00 PM.

Respectfully submitted,

Lydia B. King, Recording Secretary

Read and approved by the Hampshire Council of Governments on ________________, 2017

William R. Barnett, Chairman