

AGENDA ITEM SUMMARY

DATE: 10/25/2010 DEPARTMENT: Historic Preservation Commission DEPT. HEAD SIGNATURE: _____

SUBJECT:

Idaho State Historical Society Grant Award
Florence Blanchard Contract to Provide Historical Research
for the Hailey Rodeo Park Interpretive Exhibit

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code
(IFAPPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The Hailey Historic Preservation Commission has been awarded an Idaho State Historical Society (ISHS) community grant to conduct historical research for the Hailey Rodeo Park Interpretive Exhibit. The award letter from the ISHS is attached; there is no signed contract required to receive this award.

Florence Blanchard is the Project Historian and a letter contract for her services is attached. The research will commence the first week in November. At this time, the Historic Preservation Commission seeks approval to accept the grant award and proceed with the contract with Florence Blanchard.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Caselle # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IFAPPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	___ _____
___ Safety Committee	___ P & Z Commission	___ Police	___ _____
___ Streets	___ Public Works, Parks	___ Mayor	___ _____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Recommend approval of acceptance of grant award and approval to proceed with Blanchard contract.

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:

Date _____
City Clerk _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: _____ *Additional/Exceptional Originals to: _____
Copies (all info.): _____ Copies
Instrument # _____



Preserving the past, Enriching the future

Our mission: to preserve and promote Idaho's cultural heritage.

October 11, 2010

www.idahohistory.net

C.L. "Butch" Otter
Governor of Idaho

Janet L. Gallimore
Executive Director

Administration
2205 Old Penitentiary Road
Boise, Idaho 83712-8250
Office: (208) 334-2682
Fax: (208) 334-2774

Membership and Fund Development
2205 Old Penitentiary Road
Boise, Idaho 83712-8250
Office: (208) 514-2310
Fax: (208) 334-2774

Archaeological Survey of Idaho
210 Main Street
Boise, Idaho 83702-7264
Office: (208) 334-3847
Fax: (208) 334-2775

Historical Museum and
Education Programs
610 North Julia Davis Drive
Boise, Idaho 83702-7695
Office: (208) 334-2120
Fax: (208) 334-4059

Historic Preservation Office
210 Main Street
Boise, Idaho 83702-7264
Office: (208) 334-3861
Fax: (208) 334-2775

Old Penitentiary and Historic Sites
2445 Old Penitentiary Road
Boise, Idaho 83712-8254
Office: (208) 334-2844
Fax: (208) 334-3225
Statewide Sites
- Franklin Historic Site
- Pierce Courthouse
- Rock Creek Station &
Stricker Homesite

Public Archives and
Research Library
2205 Old Penitentiary Road
Boise, Idaho 83712-8250
Office: (208) 334-3356
Fax: (208) 334-3198
- Public Archives
- Research Library
- Oral History

North Idaho Office
112 W. Fourth Street, Suite 7
Moscow, ID 83843
Office: (208) 882-1540
Fax: (208) 882-1763

Tracy Anderson, Grant Administrator
City of Hailey
115 S. Main St.
Suite H
Hailey, ID 83333

Dear Tracy:

I am pleased to inform you that the Idaho State Historical Society has awarded the City of Hailey \$2,500 for the Hailey Rodeo park interpretation center exhibit, as outlined in the attached proposal that you sent to us. The proposal that is attached is considered the scope of work of the project.

These are reimbursement funds. You should first expend the funds as outlined in your proposal, and save all receipts. At that time, please send an invoice and copies of the applicable receipts to me. I have attached a form that provides information on how to invoice us for your reimbursement. It is important that you provide us with an accounting of your match on this project at the time you submit your invoice. I have also attached a form that explains match and how to account for it. We also need for you to complete a W-9 form, which is also attached. The name and address on this form should not be you as an individual, but rather the organization receiving the grant. Please be sure to note that we need to **receive** your invoice and receipts no later than May 27, 2011. Because of our busy fiscal office at the end of the fiscal year, if you are able to submit your reimbursement documents earlier, that would be much appreciated. Please feel free to contact me at 208-882-1540 or keith.petersen@ishs.idaho.gov if you have any questions.

Please also note that all grant recipients are **required** to provide me with a final narrative report of their projects. This final narrative report should note what was undertaken as a result of the grant, what went right and what might have gone wrong, the audiences you had (if applicable), how we might improve the grants



The Idaho State Historical Society is an Equal Opportunity Employer.

process, and any other information you would like us to know. I would prefer if the final report was mailed to me at the time you ask for reimbursement. But if you prefer to email me, you may; and if you cannot get the final report done at the time you request reimbursement, please send it as soon after as possible.

In summary, when you request payment from ISHS, your mailed (please note that these cannot be submitted electronically) package to me should include:

- An invoice
- Copies of applicable receipts
- A form that shows match for the project
- A completed W-9 form
- A final narrative

We hope you will work with your local media to obtain publicity for your grant. These grants are very competitive; they are an indication of the quality of work you do. You should be proud of yourselves, so advertise the fact! When you release information to the media, please be sure to note that the grant you received was from the Idaho State Historical Society as part of its community assistance grants program.

I have also enclosed a list of our trustees and the counties they represent. These people are your connection to the Idaho State Historical Society. Should you have an event that promotes your grant award, or an exhibit opening, or some such thing, I strongly encourage you to invite your regional trustee. They much enjoy getting out to visit with history institutions in their regions—and they are strong supporters of local history projects.

I have enclosed membership information about the Idaho State Historical Society. We invite your individual and/or institutional membership. Your membership helps the Society continue to do work that reaches all corners of the state, assisting people in their history and preservation work. It is also your link to the Society so that you know what we are doing. I hope you will join us!

We are able to make these funds available to Idaho cultural institutions because of the support of the Idaho State Legislature. If we are to continue with a community grants program, it is important that the funds not only be expended to benefit Idaho communities, but also that our legislators know that we need and appreciate their continued support. Therefore, we encourage you to either mail or email your three state legislators to let them know that you received a community assistance grant from the Idaho State Historical Society, and how you used or plan to use the funds. If you need contact information for your local legislators you can find that at www.legislature.idaho.gov. Please click on "How to contact legislators" in the left-hand column. Please send copies of your letters to me.

For 2010, we are pleased to announce that the community assistance grants program has also been supported by the Steele-Reese Foundation, and

several of the grants awarded this year were funded because of the generosity of the Steele-Reese Foundation. If you would like to learn more about Steele-Reese, visit their website at www.steele-reese.org. The Idaho State Historical Society thanks Steele-Reese for assisting us in making these grants available.

While we understand that not all projects funded are "photogenic," we would like to request that, if at all possible, you email me photographs of your project so that we can promote your work and the grants program. We like people in the photos, and un-posed, if possible! Also, if you develop any brochures or receive any publicity about your project, please also provide copies and clippings to me.

Thank you for all that you do to help preserve Idaho's history. We cannot do our job of preserving Idaho's history without the assistance of so many partners like you. Please keep us informed of your activities, and let us know if we can provide assistance to you at any time.

Sincerely,



Keith Petersen, Associate Director/State Historian

Idaho State Historical Society

North Idaho Office

112 W. 4th St., Suite 7

Moscow, ID 83843

208-882-1540

keith.petersen@ishs.idaho.gov

October 20, 2010

Florence K. Blanchard
PO Box 225
Bellevue, ID 83313

Subject: Hailey Rodeo Park Interpretive Exhibit
Contract to Provide Historical Research Services

Dear Florence:

As you know, Hailey has been awarded an Idaho State Historical Society grant to be used to conduct research for the Hailey Rodeo Park Interpretive Exhibit. This letter will serve as a contract for you, as the project historian, to provide these research services. Please review the following scope of services and other contract terms, sign this letter and return the original to the City of Hailey.

Scope of Services

1. Attend project kick-off meeting and monthly project meetings
2. Research archival newspapers
3. Identify and locate artifacts
4. Identify potential interviewees and conduct interviews
5. Photocopy and/or photograph significant documents, photographs and artifacts
6. Review history/minutes of Sawtooth Rangers Riding Club
7. Locate photographs at Idaho State Historical Society Archives, Regional History Department, Blaine County Museum and the Mallory Collection
8. Identify six (6) potential oral history interviewees
9. Prepare a final report with recommendations of the most suitable stories, documents, artifacts and photographs to be used in the interpretive exhibit; where feasible, delineate process/costs to access/obtain recommended materials

Project Schedule

The work will commence the first week of November 2010 and will conclude no later than April 30, 2011.

AGENDA ITEM SUMMARY

DATE: 10/13/2010 **DEPARTMENT:** Public Works / Admin. **DEPT. HEAD SIGNATURE:** _____

SUBJECT:

Idaho Community Development Block Grant (ICDBG)
River Street Improvements
Citizen Participation Plan

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code
(IFAPPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The ICDBG program has citizen participation requirements which applicants must meet. One requirement is the adoption of an ICDBG Citizen Participation Plan, a copy of which is attached. The activities in the plan are required by the Idaho Department of Commerce, and include holding two public hearings (one before the application is submitted and one during the project).

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

Caselle # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IFAPPLICABLE)

____ City Attorney	____ Clerk / Finance Director	____ Engineer	____ Building
____ Library	____ Planning	____ Fire Dept.	_____
____ Safety Committee	____ P & Z Commission	____ Police	_____
____ Streets	____ Public Works, Parks	____ Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Adopt Idaho Community Development Block Grant Citizen Participation Plan.

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:

Date _____
City Clerk _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: _____ *Additional/Exceptional Originals to: _____
Copies (all info.): _____ Copies
Instrument # _____

**Idaho Community Development Block Grant
(ICDBG) Citizen Participation Plan**

City of Hailey

Pursuant to citizen participation requirements for Idaho Community Block Grant participants, the City of Hailey hereby certifies the following activities will be completed:

Provide for and encourage citizen participation, particularly for low and moderate income persons who reside in slum or blighted areas and areas in which ICDBG funds are proposed to be used. Provide technical assistance to group's representative of low and moderate income persons that request assistance in developing proposals in accordance with procedures developed by the department. Such assistance need not include providing funds to such groups.

Hold a minimum of two public hearings, each at a different stage of the program, for the purpose of obtaining citizens' views. The first public hearing shall include a description of the proposed project, scope of work, budget, schedule, location, and beneficiaries. Any earned program income must also be noted. The application, related documents, and the Application Handbook shall be available for citizens to review.

The second public hearing on the status of funded activities and accomplishments to date; a general description of remaining work and a general description of changes made to the ICDBG project scope of work, budget, schedule, location or beneficiaries.

A public hearing shall also be held in the event ICDBG project activities are added, deleted or substantially changed from the application. Substantially changed means changes made in terms or purpose, scope, location or beneficiaries as defined by the ICDBG program.

Provide reasonable and timely access to local meetings, information and records pertaining to the local government's proposed and actual use of ICDBG funds. Public hearings shall be conducted at times and locations convenient to local citizens.

Public hearings shall be advertised in a local newspaper no less than seven (7) twenty-four (24) hour days prior to the hearing date. If there is no local newspaper, public notification will occur through some other method where there is wide distribution to citizens within the project area. The Community Development staff must approve this method.

A copy of the publication and/or affidavit of publication shall be submitted to the department. The notice should identify all of the topics to be addressed in the public hearing including the assurances that hearings shall be held in facilities that are accessible to persons with disabilities and that alternative formats shall be available to persons with disabilities where practicable, and with advance notice to the unit of local government.

Citizens shall also be notified they will be given the opportunity to comment orally or in writing at a minimum of ten days prior to and at the hearing. Special accommodations shall be available for persons with disabilities who may wish to comment within this period.

Public hearings shall be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can be expected to participate.

Local citizen participation records which shall be made available to the state and local citizens shall include: A copy of the public notice and/or affidavit of publication which describes proposed or actual project activities, scope of work, location, budget, schedule, objectives, and beneficiaries. Notices shall also contain the accessibility clause for persons with disabilities.

Grantees must provide the address, telephone number, and times for submitting complaints and grievances, and provide timely written answers to written complaints and grievances within fifteen (15) working days where practicable.

Local staff shall be familiar with citizen's complaint procedures. These procedures shall provide local citizens with the opportunity to protest project activities or related issues. A written complaint or grievance is formal notification of a concern, allegation or protest to a proper authority. A formal complaint will be considered filed at the time it is delivered to the appropriate authority's office. To file a complaint, citizens must provide enough information to allow an investigation. The complaint should be clear and concise and include the following information:

- A. Identification of the project, project location, and program activities.
- B. Reason for the complaint (hearsay and innuendo will not be considered valid).
- C. Sufficient data to substantiate any claims or charges. If possible, supporting documentation should be included.
- D. If desired, citizens may propose a solution to the problem.

If the complaint is concerning local activities or project implementation, complaints and grievances shall first be filed with the appropriate elected official. If this is the case, grantees shall be required to notify the department of the complaint. A copy of the response shall also be submitted to the department. Every attempt must be made to respond to citizens within fifteen (15) days where practicable.

If a citizen feels the response from the local jurisdiction is unsatisfactory, he or she may appeal to the department for resolution. The department at that time may request additional information. Every effort will be made by the department to provide a full response within thirty (30) days.

If valid and sufficient data has been provided to substantiate the complaint, an investigation will be conducted. The extent of an investigation depends on the scope and depth of the issues involved.

If the complaint is more appropriately directed toward the ICDBG program activities, the same procedure will be followed except all communications are between the state and the complainant.

This plan shall become effective October 25, 2010.

Mayor Rick Davis

Attest:

Mary Cone, City Clerk

AGENDA ITEM SUMMARY

DATE: 10/20/2010 DEPARTMENT: Health Benefits Committee DEPT. HEAD SIGNATURE: Jeff Gunter

SUBJECT: Authorize Mayor to sign Joint Power Agreement with City of Ketchum for the purpose of collecting insurance data over the next three years, and potentially becoming a larger health insurance group to save health insurance costs.

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The Health Benefits Committee recommends that we continue with Blue Cross, which enables us to participate in this JPA to be able to get better usage data for this larger group (groups under 100 cannot receive usage information). We have been assured that the premium increase will not exceed 15% (Dental increase will be 9% and VSP will not change) but won't have actual increase info until November 15. At that point we will also be given some other Blue Cross premiums for increased deductible so we can run a cost-benefit analysis on a partial self-funding using the HRA VEBA as the conduit for reimbursement. Information provided by Becky Stokes City treasurer.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Casele # _____
Budget Line Item # _____ will be less than budgeted _____ YTD Line Item Balance
\$ _____

Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____

Comments:
See Mark Newbold's of Moloney + O'Niels e-mail which is attached.

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	_____
___ Safety Committee	___ P & Z Commission	___ Police	_____
___ Streets	___ Public Works, Parks	___ Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Authorize Mayor to sign joint powers agreement and renew current health insurance agreements.

ACTION OF THE CITY COUNCIL:

Date _____

City Clerk _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: Record
Copies (all info.): _____
Instrument # _____

*Additional/Exceptional Originals to: _____
Copies (AIS only)

From: Mark Newbold [mnewbold@moloneyoneill.com]
Sent: Sunday, October 17, 2010 9:20 AM
To: Jeff Gunter
Subject: FW: Update On Group Medical Plan Review For City Of Hailey

From: Mark Newbold
Sent: Sun 10/17/2010 8:19 AM
To: heather.dawson@haileycityhall.org; becky.stokes@haileycityhall.org; robin.crotty@haileycityhall.org; tom.hellen@haileycityhall.org; roger.parker@haileycityhall.org; leann.gelskey@haileycityhall.org; jeff.gunter@moloneyoneill.com
Cc: Patsy Sales; Cami Hamilton
Subject: Update On Group Medical Plan Review For City Of Hailey

Good Morning All!

Based on the responses we have received thus far from the partially self-funded and fully-insured markets on group medical plan options for your group's 1/1/2011 renewal, Moloney+O'Neill Benefits is recommending that you remain with Blue Cross of Idaho at renewal under one of the following options:

1. Renew your current benefit design with no change in benefits; or
2. Increase your deductible in order reduce premium costs and utilize the Health Reimbursement Arrangement (HRA) that Moloney+O'Neill set up for your group when we began our relationship with you as your employee benefits consultant. Under this option, the City could self-insure the deductible difference through the HRA. No City funds would have to be allocated to the HRA for this purpose until a request for reimbursement is made. This will require an amendment to your existing HRA supporting plan document. Moloney+O'Neill Benefits will provide the amendment at no additional cost, should the City wish to pursue this option.

We are told by Blue Cross of Idaho that their formal renewal proposal should be available on or about November 15th.

With regard to your current group dental plan through Delta Dental Plan of Idaho, we would recommend either renewing your current group dental plan at no more than a 9% increase at renewal or self-funding your dental plan with Delta Dental Plan of Idaho at the renewal rates that will be proposed (i.e. no more than a 9% increase). We are expecting their formal renewal proposal on or about November 1st.

With regard to your current group vision plan through Vision Service Plan (VSP), we would recommend that you continue with VSP as your current benefit design and premium rates are guaranteed for another 12 month period as of 1/1/2011.

Should we find a more compelling fully-insured medical plan option from the markets that have not offered a formal proposal as of yet, we will forward their proposal to you for consideration. Based on your group's size and overall health risk profile, it doesn't appear that there are any more compelling group medical plan options available at this time other than those offered through Blue Cross of Idaho.

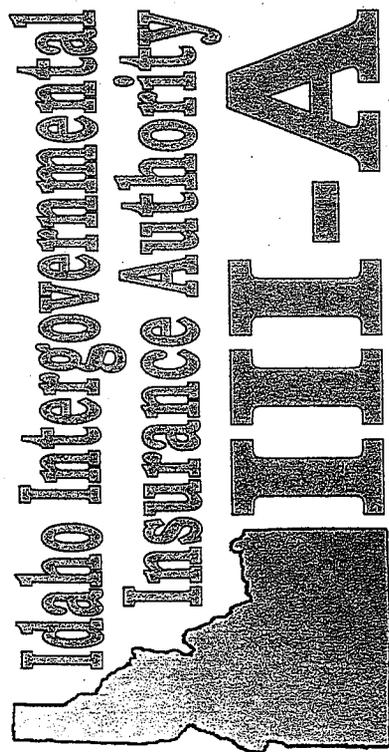
Thanks for the opportunity to be of continued service to you and your team at City of Hailey.

Kind regards,

Mark

Mark Newbold, CEBS
Principal/Employee Benefits Advisor
Moloney+O'Neill Benefits
Phone: 1-800-801-4448, ext. 203 or (509) 953-8696

visit us at www.moloneyoneill.com



A Health Care Joint Powers Authority
A Strategic Partnership of Cities Supporting Cities

September, 2010

NEED

A Strategic Partnership of Cities Supporting Cities

The Idaho Intergovernmental Insurance Authority (III-A) is a consortium of Idaho cities ~ created by Idaho cities ~ administered by employees of Idaho cities ~ for the purpose of procuring the highest quality health care insurance available for our members, the employees of Idaho cities.

The III-A is governed by a Joint Powers Agreement and Bylaws.

Our Board of Directors are elected officials or employees of our member cities and are elected by our member cities. This ensures that our policies are set with the best interests of Idaho cities in mind.

All administrative personnel are employees of our cities. We do not receive sales commissions. Our fiduciary responsibility is to our members...not a profit margin.

Pooling our resources provides our cities with a more stable long term health care insurance solution than independently purchasing from commercial health care insurers, which may be competitive today and out of reach tomorrow.

Pooling our resources means we have tremendous bargaining leverage with health care insurers. We intend to use this leverage to negotiate the lowest rates, highest levels of coverage, and the best services for our members.

Eligibility for Membership in the III-A

Any "public agency," as defined in Idaho Code Section §67-2327, may be eligible for participation in the health care insurance programs established by the III-A if the Idaho public agency is:

- located within the State of Idaho.
- not an agency of the state government.

Membership requires a three year commitment during which time the III-A guarantees that all its members can maintain their current level of health care insurance coverage, retain the ability to negotiate benefit and/or contribution changes with and on behalf of their employees.

Changes to a members benefits or contributions during the three year commitment can occur at the will of the member.

The purpose of the three year commitment is simply to ensure the stability and creditability of the III-A, which is vital to successfully negotiating with health care insurers.

Our Strategy ~ Target Small Idaho Cities

Idaho State Law requires health care insurers to release utilization data to groups of 100 or more employees.

Our strategy is to build the III-A through the participation of Idaho cities with staff sizes in the range of 2 to 100 employees because these cities will immediately benefit by gaining access to their utilization data.

Participation in a larger group also represents a meaningful opportunity for reducing and stabilizing the cost of health care insurance. Many Idaho cities, because of their small size, are not able to negotiate the lowest cost, high-quality health insurance coverage for their employees. However, as a member of a larger group (a pool) they will gain bargaining leverage.

How does pooling reduce claim costs? It is just basic math!

- If a \$1,000 claim is incurred by a group of 10 insureds, the cost per insured is \$100 or \$8.33 per insured per month. If the same claim is incurred by a group of 100 insureds, the cost per insured is reduced to \$10 or only \$0.83 per insured per month.

Spreading the cost of claims over a larger group (a pool) reduces the cost for all participants. Reducing the cost of claims results in lower premiums for all.

Our Target Membership

Our focus on developing membership in the III-A is on Idaho cities that would most likely benefit immediately, have at least 2 but not more than 100 employees and currently provide health care insurance coverage through Blue Cross of Idaho.

Presentations on the advantages of membership in the III-A have/are initially being made to the Idaho cities listed in the following chart; the status of their membership is noted.

City	Membership Status	Ee Count
Ketchum	Member	53
Fruitland	Member	25
Hailey	Meeting 9-21-2010	80
Glenns Ferry	Presentation 9-21-2010	15
Idaho City	Presentation 9-22-2010	4
Horseshoe Bend	Presentation 9-22-2010	5
Weiser	Presentation 9-22-2010	52
Council	Presentation 9-22-2010	4
Filer	Presentation 9-29-2010	12
Burley	Presentation 9-29-2010	71
American Falls	Presentation 9-30-2010	30
Aberdeen	Presentation 9-30-2010	14
Chubbuck	Presentation 9-30-2010	80
Blackfoot	Presentation 10-1-2010	102
		547

Initial Operating Budget

The operating budget for the first three years assumes expenses only for professional consulting, periodic legal counsel, an annual financial audit and liability insurance for the Board of Directors. Our estimated expenses are:

- Consulting ~ \$4.00 per employee per month plus travel expenses
- Legal Counsel ~ \$1,000 annually
- Financial Audit ~ \$1,000 annually
- Liability Insurance ~ \$1,200 annually

The actual expenses will be spread equally among all III-A members. The member's pro-rata share of the actual expenses will be calculated by establishing a monthly cost per employee by dividing the total expenses by the total number of employees. Each member will contribute the monthly cost per employee times their specific employee count.

Assuming total enrollment is 200 and the consultant's travel expenses are \$600 per trip/4 trips per year, we estimate the cost for participating in the III-A to be \$6.33 per employee per month.

If enrollment increases to 300 the cost is reduced to \$5.55 per employee per month or \$4.93 per employee per month if enrollment increases to 500.

Our Inspiration ~ Montana Municipal Interlocal Authority

The most recent municipal purchasing pool established under Legacy's guidance is the Montana Municipal Interlocal Authority, known as the MMIA.

The MMIA Employee Benefits program consists of 76 cities and towns totaling more than 2,000 enrolled employees. The vast majority of the MMIA member cities and towns are very small groups of between 10 and 30 employees.

The largest city employ's approximately 400. After just five years, the MMIA has accumulated reserves in the amount of \$5,995,028.

Just two examples of the success of this municipal pool are:

1. True Cost Rates ~ An independent actuarial study revealed that the prior insurer (Blue Cross Blue Shield of Montana) collected \$101.94 per employee per month over and above actual plan expenses ~ monies the insurance company kept as Profit!
2. Lower Funding (Premium) Rates ~ By pooling revenue and expenses, all the MMIA's annual rate adjustments since inception (5-years) have been single digit or flat; well below industry trend each year.

The **MMIA**... A Better Way

The Montana Municipal Interlocal Authority Employee Benefits Program provides quality, affordable employee benefit plans for Montana municipalities through a single purchasing coalition. Each of the medical and prescription drug, dental and vision plans are self-funded. The life insurance and Employee Assistance Program are purchased under an insured single group policy from a Montana licensed insurer.

Ten Reasons why Montana municipalities are "STILL" better off today under the MMIA.

1. "True Cost" Rates

The MMIA engages the services of an independent actuary to perform an annual actuarial analysis of all the self-funded plans. The rates set by the MMIA follow the recommendations of the independent actuary to ensure that the rates are adequate to fund trended claims, all administrative and operational expenses and appropriate IBNR reserves (reserves for incurred claims that have not yet been paid).

2. Financial Security

By self-funding, our Montana municipalities have achieved control over their cash flow, retained surplus contributions and interest earnings. As of July 1, 2009, the MMIA Employee Benefit Program has generated reserves in the amount of \$5,995,028.

3. Lower Funding (Premium) Rates

By self-funding and pooling revenue and expenses, all the MMIA's annual rate adjustments since inception have been single digit; below industry trend. This year the MMIA's medical, dental and vision self-funded plans renewed with no increase in rates. Although MMIA members realize that they will not experience below trend rate adjustments every year, they know that when the outlier years occur, (years of higher than normal claims) the impact will be mitigated because of the MMIA's reserves.

4. Full Disclosure, Transparency & Accountability

Under previous insured plans many expenses were undisclosed, embedded in subcontracted relationships, included loads and commissions, and some premiums were embedded in administration fees. Today, all expenses are transparent and net of any loads or commissions. All contracts contain quality performance guarantees with performance penalties.

5. Superior Benefits

All MMIA medical plans cover cancer screening and related office visits at 100%, based on the American Cancer Society's recommended age criteria, at no cost to the employee. Obesity surgery is covered the same as all other treatment in conjunction with large case management.

The MMIA implemented a pilot employee wellness program that includes an online health risk assessment, onsite biometric testing and a \$50 gift card for each participating employee, at no cost to the employee or municipality. The MMIA expects to extend this wellness program to all members within the next two years.

Effective July 1, 2009, the MMIA's waived the prescription drug card benefit generic copayments for the months of July, August and September; thereby providing 100% coverage for generic prescriptions to encourage usage of lower cost medications.

6. Focused Cost Management

All MMIA medical plans have access to an extensive network of centers of excellence, 24/7 access to online medical treatment information, comprehensive disease management and interactive maternity management. These programs provide aggressive patient advocacy, help reduce treatment costs and focus on the highest quality treatment and outcomes.

7. Safety in Numbers ~ Spreading the Risk

Pooling has allowed Montana's small municipalities to achieve savings by spreading their claim and administration expenses among a large risk pool. The annual rate trend adjustment is assessed to the entire pool, and then an experience based adjustment is applied to ensure our members recognize the greatest possible savings. The City of Helena is the newest MMIA Employee Benefits Program member.

8. Freedom of Choice for individual Employees

The MMIA offers a menu of comprehensive benefit plans from which each individual employee may choose a plan that best meets their family's needs.

9. Tax Advantaged Plan Options

The MMIA's menu of comprehensive benefit plans includes a high deductible health plan that qualifies as a companion for a Health Savings Account.

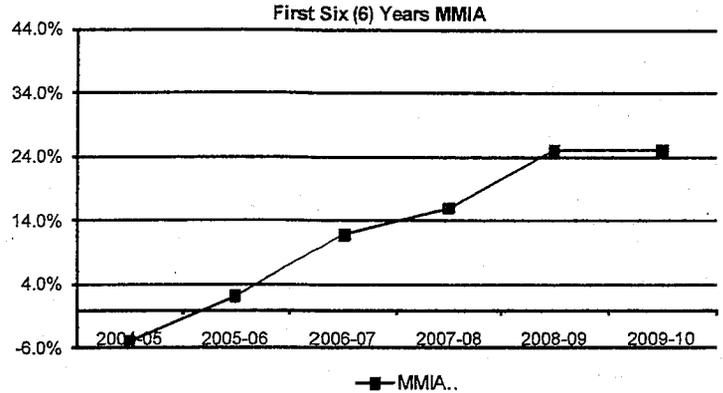
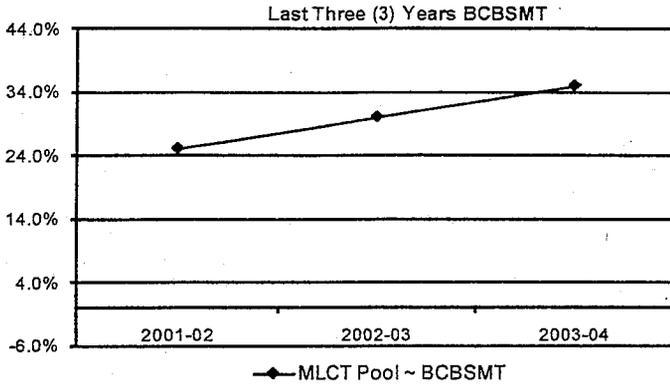
10. Competitive Administrative Costs ~ Economies of Scale

By bidding all administrative services independently, the MMIA has achieved significant savings with quality performance and multi-year rate/fee guarantees.

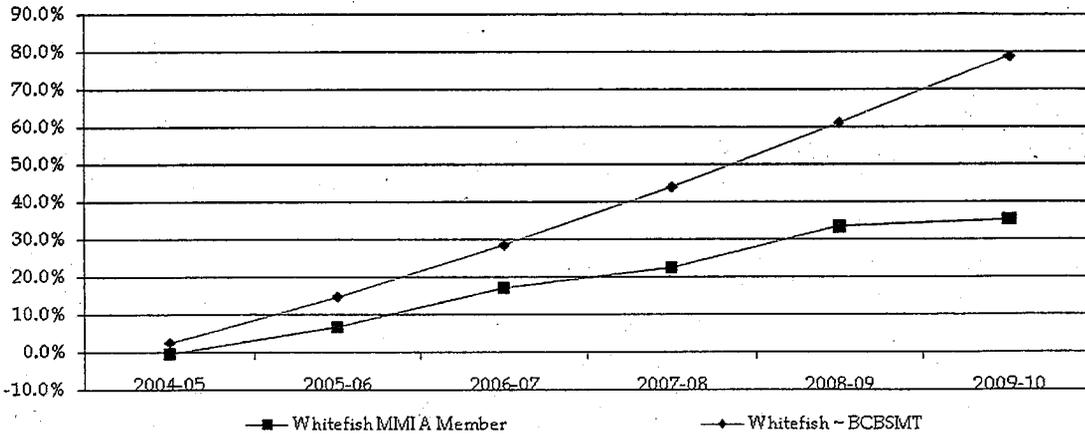
Illustrations of the MMIA Members' Financial Success

The charts below illustrate the percentage difference in actual annual renewal rates (based on the single rate tier) as a member of the MMIA compared to percentage increases that have been calculated assuming the annual BCBSMT rate increases would have been equal to the BCBSMT reported trend rates for each of the years shown. **** The BCBSMT increases shown below depict projections based on trend; they do not reflect actual rate increases.**

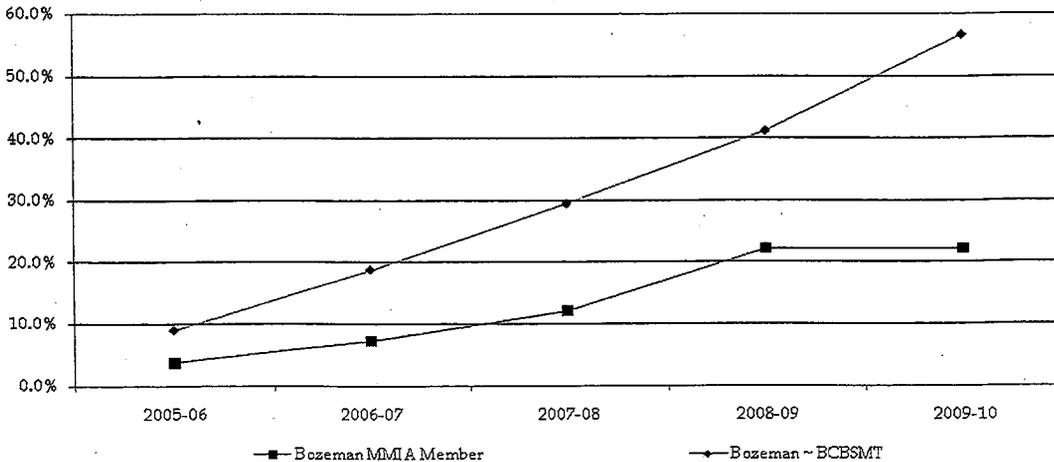
Small Cities & Towns that participated in the MLCT's Small Group Pool prior to MMIA



City of Whitefish ~ contracted directly with BCBSMT on an Experience Rated basis prior to the MMIA



City of Bozeman ~ contracted directly with BCBSMT on a Self-Insured basis prior to the MMIA



The Long Term Success of Public Entity Pools

Since 1980, public employers have joined together to create single purchasing pools, most commonly known as Joint Powers Insurance Authorities (JPIA) in an effort to control the skyrocketing costs of their employee benefit programs.

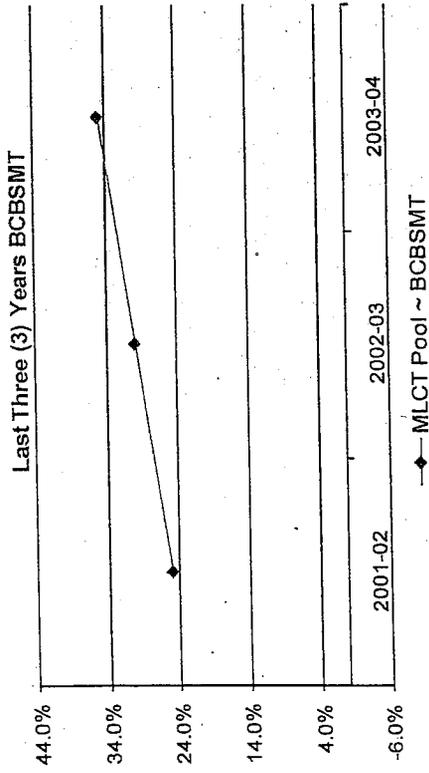
These JPAs originally were exclusive to employee benefit programs but over the years they have expanded to include Property/Casualty insurance, Liability insurance and Workers' Compensation insurance.

Many public employers throughout the United States are currently members of single purchasing pools. Just a few examples of such pools are: MMIA (Montana Municipal Interlocal Authority), MACo (Montana Association of Counties), MUST (Montana Unified School Trust), SISC (Self Insured Schools of California), CSJRMA (Central San Joaquin Risk Management Authority), and CSAC (California State Association of Counties).

Just five public employer pools in California represent over 2,200 public entities insuring over 370,000 employees, including all lines of coverage as shown above.

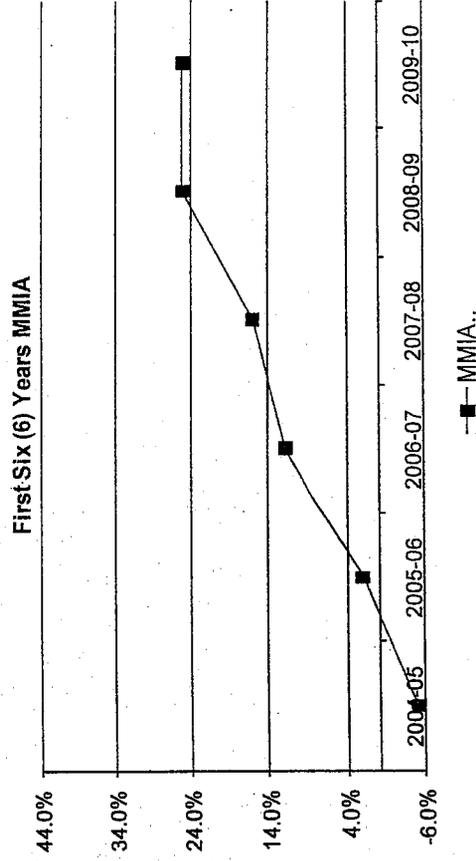
As you can see this strategy has a long history, and has proven its value.

Compare the Cumulative Effect of the Rate Increases



The average annual rate increase under the Blue Cross Blue Shield plans was 11.7%.

The average annual rate increase under the MMIA program was only 4.2%.



What Happens in Year Four of the III-A

After three years of operations, the members of the III-A will have access to their utilization data, which is vital to determining options for procuring employee health care insurance.

Included in evaluating these options will be bidding insurance products and self-insuring the current employee health care insurance.

Self-insurance has proven to be an excellent alternative for achieving and maintaining significant savings.

How does self-insurance achieve savings? By eliminating all expenses that are not directly related to reimbursing providers for the delivery of health care services such as broker commissions, insurance company profits, advertising expenses, and excess funding for adverse risk margins.

Self-insuring also creates an environment wherein all services and fees are transparent and all administrators can be held accountable for the quality of the services they provide.

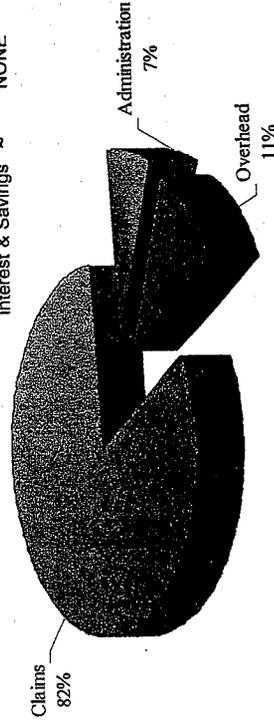
In the following graphic illustration we show how a public entity successfully lowered the cost of their employee health care insurance by self-insuring their plan.

Insured / Self-Insured ~ Compare the Savings

Claim Payments	\$1,482,000	Claim Payments	\$1,482,000
Administration	\$133,380	Administration	\$103,740
Interest Earnings	\$0	Interest (2% of Retained Earnings)	\$4,618
Marketing (2%)	\$32,308	Marketing	\$0
Profit Margin (9%)	\$161,538	Profit Margin	\$0
Adverse Risk Factors (1/2%-Claims)	\$7,410	Adverse Risk Factors	\$0
Retained Earnings	\$0	Retained Earnings	\$230,896
Total Plan Expenses	\$1,816,636	Total Plan Expenses	\$1,585,740

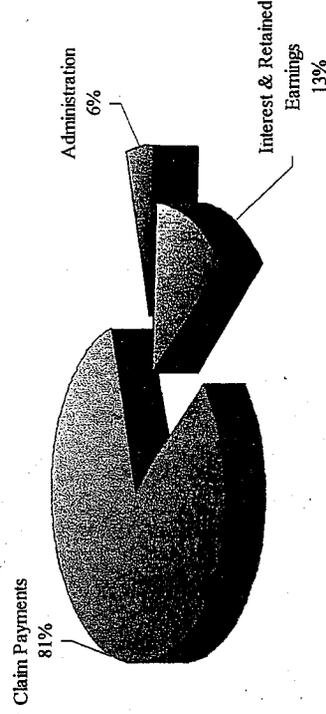
Insured Plan

Claims ~ \$1,482,000
 Administration ~ \$ 133,380
 Interest & Savings ~ NONE



Self-Insured Plan

Claims ~ \$1,482,000
 Administration ~ \$ 103,740
 Interest & Savings ~ \$ 240,131



The Importance of Transparency

Full Disclosure, Transparency and Accountability...

Many plan expenses are undisclosed, embedded in subcontracting relationships, include loads and commissions, and some premiums are even embedded in administration fees.

Significant savings are achievable when all expenses are transparent and net of any loads or commissions.

All contracts should contain quality performance guarantees with performance penalties; thereby establishing contractual accountability.

Ensuring transparency and accountability in all contracts will be required by the III-A.

How Do We Join The III-A

Membership in the III-A is easy!

1. Your City Council must adopt the Joint Powers Agreement. A copy of the Joint Powers Agreement is included in this information packet.
2. You will submit a copy of your current health care Plan Document to the JPA Board of Directors.
3. You will submit a copy of your current health care plan's premium billing to the JPA Board of Directors.

That's it! That is all that is required to join the III-A!

Experienced & Trusted Guidance

Legacy Enterprises, founded in 1990, is a minority owned and operated employee benefit consulting firm located in Stockton, California. Charlynn Harless is the sole proprietor.

Legacy's distinguished clientele includes:

- State of Nevada Workers Compensation System
- State of Nevada Committee on Benefits
- San Joaquin Health Care JPA
- Mt. Diablo Unified School District
- Montana Municipal Interlocal Authority
- County of Tulare, CA
- City of Chico, CA
- San Joaquin County Office of Education
- City of Whitefish, MT
- Central San Joaquin Risk Management Authority
- City of Antioch, CA
- City of Oakley, CA
- Montana Association of Counties
- Waterford Unified School District
- City of Bozeman, MT
- Stanislaus County Office of Education
- Stockton Unified School District
- Montana League of Cities and Towns
- City of Clovis, CA
- City of Stockton, CA

Gary Marks, City Administrator, City of Ketchum was a founding member of the Montana Municipal Interlocal Authority's Employee Benefit Programs and served as a Board member of the MMIA from 2004 until moving to Idaho in 2008.

In the 1980s, prior to his career in the public sector Gary was employed in the insurance industry as an Adjuster for Safeco.

JOINT POWERS AGREEMENT

Idaho Intergovernmental Insurance Authority

This AGREEMENT is entered into this 1st day of _____, 2010, for the purpose of facilitating the collective participation and negotiation of its members of health benefits coverage with vendors doing business in Idaho or through self-insurance.

I. RECITALS

WHEREAS, public agencies are authorized to provide their officers and employees with health care insurance; and

WHEREAS, each of the undersigned, hereinafter designated as MEMBERS, are authorized by Idaho Code Section §67-2326 *et seq.* to enter into agreements with one or more public agencies for the purpose of jointly exercising any power common to said public agencies; and

WHEREAS, each of the undersigned, hereinafter designated as MEMBERS, are authorized by Idaho Code Section §41-4101 *et seq.* to provide for joint public agency self-funded health care programs; and

WHEREAS, each of said MEMBERS has been duly authorized by its respective governing body to enter into this Agreement;

NOW, THEREFORE, BE IT AGREED BY AND BETWEEN the parties hereto as follows:

II. PARTIES

The parties to this Agreement shall be those public agencies listed in Exhibit A, which is attached hereto and incorporated herein as though set forth verbatim. From and after the effective date of this Agreement, other public entities may become parties and participate in this

Agreement pursuant to the provisions set forth below.

III. PURPOSE AND COMMON POWER

The purpose sought to be achieved by the parties to this Agreement is the joint exercise of the powers conferred by Idaho Code Section §67-2326 *et seq.* and Idaho Code Section §41-4101 *et seq.* to provide officers and employees of MEMBERS with benefits in the most cost-effective manner possible while emphasizing quality, price stability and financial solvency. The MEMBERS will seek to accomplish this purpose either through self insurance as authorized by Idaho Code Section §41-4101 *et seq.* or the purchase of insurance from outside carriers as authorized by Idaho Code Section §67-2326 *et seq.*

IV. IDAHO INTERGOVERNMENTAL INSURANCE AUTHORITY

By this Agreement there is created the Idaho Intergovernmental Insurance Authority (hereinafter AUTHORITY), a separate public agency formed to carry out the purposes set forth above. In the event that the AUTHORITY provides for self insurance it shall immediately take the necessary steps to comply with the notice and filing requirements of Idaho Code Section §41-4103. The debts, liabilities and obligations of the AUTHORITY shall not be debts, liabilities or obligations of the respective parties hereto except as otherwise provided in this Agreement or Bylaws.

V. BYLAWS

For purposes of the performance of any and all activities arising under the terms of this Agreement, the AUTHORITY shall be governed by this Agreement and its duly adopted Bylaws. Each party to this Agreement hereby agrees to adhere to this Agreement and the Bylaws in good faith and to be bound thereby. In case of a conflict between the provisions of this Agreement and the Bylaws, the provisions of this Agreement shall prevail. The Bylaws may

be amended from time to time by the BOARD OF DIRECTORS of the AUTHORITY in the manner set forth below.

VI. MEMBERSHIP DELEGATION

Each MEMBER may appoint a DELEGATE to represent it at the annual meeting of the MEMBERSHIP DELEGATION. At this meeting, the BOARD shall report to the DELEGATION and the DELEGATION shall elect the BOARD OF DIRECTORS as provided herein. Each MEMBER to this Agreement may change its DELEGATE at any time provided that the MEMBER gives the chairperson of the AUTHORITY'S BOARD OF DIRECTORS written notice of the change prior to the first meeting at which each new DELEGATE attends for the purpose of representing the MEMBER. Each DELEGATE is entitled to cast one vote on each action item at any duly constituted meeting of the DELEGATION at which he or she is present.

A quorum shall consist of the presence of DELEGATES representing fifteen percent of the MEMBERS, provided that a minimum of ten DELEGATES must be present for the transaction of AUTHORITY business at a meeting of the DELEGATION. However, in the event that there are than twenty MEMBERS of the AUTHORITY, a quorum shall consist of the presence of DELEGATES representing twenty-five percent of the MEMBERS, provided that a minimum of two DELEGATES must be present for the transaction of AUTHORITY business at a meeting of the DELEGATION. A vote of a majority of the MEMBERS present at any such annual meeting shall be sufficient to approve an action of the AUTHORITY.

VII. BOARD OF DIRECTORS OF THE AUTHORITY

This Agreement shall be administered and contracts with vendors shall be executed by the AUTHORITY'S BOARD OF DIRECTORS, hereinafter referred to as the "BOARD." The

membership of the BOARD OF DIRECTORS shall be as follows: the BOARD OF DIRECTORS shall consist of no more than eleven members. Five directors shall be chosen based on the number of employees eligible for enrollment in the AUTHORITY's medical program for each MEMBER. The five MEMBERS having the highest number of such eligible employees shall have a DIRECTOR on the BOARD OF DIRECTORS. The MEMBER shall submit the name of the prospective DIRECTOR to the MEMBERSHIP at the annual meeting for ratification by a majority of the MEMBERS present at such annual meeting.

For the first two years following the formation of the Authority, the City of Ketchum shall be entitled to have a DIRECTOR on the BOARD OF DIRECTORS.

Ninety days prior to the annual meeting of the MEMBERS, the BOARD shall verify the number of eligible employees for each MEMBER in order to determine the five MEMBERS that are entitled to a DIRECTOR on the BOARD OF DIRECTORS. Such DIRECTORS shall hold seats numbered one through five on the BOARD OF DIRECTORS.

Five additional directors shall be elected from the DELEGATION, provided that no MEMBER shall have more than one DIRECTOR on the BOARD OF DIRECTORS. The BOARD OF DIRECTORS shall appoint one additional DIRECTOR. Such elected and appointed DIRECTORS shall hold seats numbered six through eleven on the BOARD OF DIRECTORS.

Positions six through eleven on the BOARD OF DIRECTORS shall be staggered after the first term, which shall be for a period of one year. THE BOARD OF DIRECTORS shall determine the length of the second term for positions six through eleven in order to stagger the terms. Thereafter, terms for positions numbered six through eleven shall be for a term of three years, and shall be staggered so that not more than two terms expire each year.

In the event that a DELEGATE on the BOARD OF DIRECTORS resigns his position or is no longer able to serve, the BOARD shall appoint a DELEGATE to fill the vacancy for the remainder of the term.

VIII. MEETINGS OF THE MEMBERSHIP DELEGATION AND BOARD OF DIRECTORS

There shall be an annual meeting of the MEMBERSHIP DELEGATION. The BOARD OF DIRECTORS shall meet at least once each quarter. Minutes shall be kept of all BOARD and DELEGATION meetings by the Secretary of the BOARD. A simple majority of the BOARD shall constitute a quorum for the transaction of business. Each DELEGATE shall have one (1) vote at DELEGATION meetings and each DIRECTOR shall have one (1) vote at DIRECTOR meetings. DELEGATES and DIRECTORS must be present at the meeting to vote.

All meetings of the DELEGATION and the BOARD shall be subject to the Idaho Open Meetings Act (Idaho Code Section §67-2340 *et seq.*). The BOARD shall adopt rules and regulations for conducting DELEGATION and BOARD meetings in conformity with the law.

IX. OFFICERS OF THE BOARD

The officers of the BOARD OF DIRECTORS shall consist of the Chair, Vice-Chair and Secretary.

The Chair shall be responsible for developing meeting agendas and conducting meetings. The Chair shall be authorized to make administrative decisions on behalf of the AUTHORITY subject to the Bylaws and BOARD policies.

The Vice-Chair shall fulfill the Chair's duties in his or her absence.

The Secretary shall cause minutes of all meetings to be kept and shall, upon request, cause a copy of the minutes to be forwarded to any member of the AUTHORITY. The Secretary shall fulfill the duties of the Chair and Vice-Chair in their absence.

For the first two years following the formation of the Authority, the City of Ketchum's DIRECTOR shall be entitled to hold the position of Chair.

X. POWERS AND DUTIES OF AUTHORITY BOARD OF DIRECTORS

The BOARD shall exercise the power to procure health and welfare benefits through the establishment of self-funded programs and contracts with insurance carriers. In order to facilitate the exercise of said power by the BOARD, the BOARD shall have the authority to do all acts reasonably necessary to effectuate said exercise, which acts shall include, but not be limited to, the adoption of resolutions and policies, the amendment of the Bylaws, the election of its officers; the execution of contracts; the employment of agents or employees; the incurrence of debts, liabilities and/or obligations which shall not constitute debts, liabilities and/or obligations of any party to this Agreement except as otherwise provided in this Agreement; the acquisition, holding, and/or disposition of property, funds, services and other forms of assistance from persons, firms, corporations and/or any public agency; and to sue and be sued in its own name. The BOARD is specifically empowered to approve the design of programs, program provisions, establish reserves, adopt budgets, select vendors and set premium rates. The BOARD shall also have the powers specifically conferred upon it by the Bylaws attached hereto as Exhibit B and such other powers as are expressly conferred in this Agreement and by any subsequent, duly authorized amendment hereto. The BOARD may amend the Bylaws by two-thirds vote of MEMBERS present provided a quorum exists.

In the event of lack of a quorum, current BOARD MEMBERS shall continue to serve until changed by the DELEGATION.

XI. FUNDS OF THE AGENCY

A. ESTABLISHMENT OF AUTHORITY FUNDS

The BOARD shall establish funds and accounts for the purpose of funding claim payments, payment of premiums to insurers contracting with the AUTHORITY and administrative and capital expenses under the AUTHORITY's self-funded program(s). Revolving bank accounts may be established to facilitate payment of claims. Deposits to and withdrawals from these funds shall be made as provided herein and in the Bylaws. All money acquired by or belonging to the AUTHORITY shall be kept in said funds. Books and records of the AUTHORITY shall be open for inspection at all reasonable times. All records are public information and will be available upon request.

B. ANNUAL CONTRIBUTIONS

For each fiscal year commencing October 1, and ending September 30, each party to this Agreement shall contribute to the AUTHORITY an amount equal to the total estimated annual cost of its participation in the self-funded or insured programs of the AUTHORITY as calculated by the BOARD. Such contributions may be paid to the AUTHORITY in monthly installments at the beginning of each calendar month based upon the number of employees enrolled in each program. Contributions will be deposited in a special fund established by the BOARD.

C. ADJUSTMENT OF CONTRIBUTIONS

During the course of each fiscal year covered by this Agreement, the BOARD shall review and determine whether contribution rates should be adjusted to reflect substantial changes in anticipated costs or other unforeseen events occurring after the commencement of the fiscal year. In the event the BOARD determines that an immediate change in premium rates is required, the BOARD shall provide at least sixty days notice to MEMBERS before such change in premium rate is effected.

D. CONTRIBUTIONS FOR FUTURE YEARS

For the 2011-12 fiscal year and each fiscal year thereafter, the BOARD shall transmit to each party by no later than sixty days preceding the commencement of the new fiscal year the party's premium rates for such year. The premium rates so projected shall constitute the limit of each party's annual liability for costs unless subsequently adjusted by the BOARD OF DIRECTORS as herein provided.

E: TREASURER/FISCAL AGENT OF THE AUTHORITY

1. The BOARD may appoint the Fiscal Agent of the AUTHORITY.

In this capacity, the Fiscal Agent shall:

(a) Receive and receipt for all money of the AUTHORITY and place it in the treasury of the Treasurer so designated to the credit of the AUTHORITY;

(b) Verify and report in writing on the first day of July, October, January, and April of each year to the AUTHORITY and to the MEMBERS the amount of money he holds for the AUTHORITY, the amount of receipts since his last report, and the amount paid out since his last report.

2. The BOARD shall appoint a Treasurer of the AUTHORITY. In this capacity, the Treasurer shall:

(a) Be responsible upon his official bond for the safekeeping and disbursement of all AUTHORITY money so held by him;

(b) Pay any other sums due from the AUTHORITY from AUTHORITY money, or any portion thereof, at the direction of the Fiscal Agent.

F. SERVICES OF THE TREASURER

The charge duly specified by resolution of the BOARD as the cost to be reimbursed for the services of the Treasurer and the Fiscal Agent arising out of the performance of any act reasonably related to this Agreement shall be a proper charge against the funds of the AUTHORITY.

G. ANNUAL REPORT AND AUDIT

The BOARD shall, following the close of the fiscal year, provide a written report of all financial activities for such fiscal year to each of the member entities in accordance with applicable laws and regulations. The BOARD shall also contract with a certified public accountant to make an annual audit of the accounts and records. The audit will be performed in accordance with all applicable laws and regulations and in accordance with generally accepted accounting principles. The certified public accountant shall prepare a report regarding the audit which shall be filed as a public record.

H. ACTUARIAL REPORT

On an annual basis the BOARD shall contract for an actuarial study of all self-funded programs to establish reserve levels, set appropriate funding and premium rates and ensure compliance with state and federal laws and regulations.

XII. ELIGIBILITY FOR MEMBERSHIP

Any "public agency," as defined in Idaho Code Section §67-2327, may be eligible for participation in the health care insurance programs established pursuant to this Agreement if, and only if, such public agency satisfies all of the following requirements:

- A. The public agency must be located within the State of Idaho.
- B. The public agency cannot be an agency of the state government.

C. Written application for admission to the program must be filed with the BOARD by no less than sixty (60) days prior to the effective date of membership.

D. The application must be accompanied by a formal resolution of the governing body of such public agency authorizing the inclusion of the agency into this program. As the BOARD deems appropriate, additional information may be required.

E. The application must thereafter be ratified by a majority of the entire MEMBERSHIP of the DIRECTORS of the BOARD. The decision of the BOARD shall be final.

F. Following the determination specified in paragraph E hereof, the BOARD shall notify the applying agency of the anticipated total contributions computed for the first year's participation by the agency, which total shall include an additional assessment, in an amount recommended by the BOARD, constituting the applying agency's share of accumulated reserves. The notice shall also inform the applying agency of the amount of its first monthly payment. The applying agency shall be deemed to be admitted to the AUTHORITY upon deposit of its first monthly payment and this assessment.

G. All eligible, full-time employees of MEMBERS must participate in programs offered by the AUTHORITY except elected officials and individuals who provide proof of other medical, dental or vision insurance coverage under a policy on which the coverage is primary for the employee seeking to waive coverage and would remain primary whether or not the employee is covered by the AUTHORITY. Retirees of the MEMBERS may also participate in AUTHORITY programs whether on an employer pay or retiree pay basis provided that there has been no lapse in coverage between active status and retired status.

XIII. WITHDRAWAL BY MEMBER

A. NOTIFICATION

Any MEMBER may elect to withdraw from MEMBERSHIP in the AUTHORITY and from participation in its programs effective September 30 of any year by giving written notice to the AUTHORITY by no later than July 1 of the same year. It shall be a condition precedent to the making of such an election that the MEMBER has completed not less than three full fiscal years as a MEMBER of the AUTHORITY immediately prior to the proposed effective date of its withdrawal. The notice of withdrawal shall consist of a resolution adopted by the governing body of the MEMBER, expressly stating the party's intention to exercise its right hereunder to withdraw effective the next succeeding September 30.

A MEMBER which withdraws without complying with the above paragraph will be subject to a penalty equal to the premiums paid or charged against the MEMBER for the twelve (12) month period prior to the effective date of the MEMBER'S unauthorized withdrawal. The penalty shall be paid in full within ninety (90) days following the date of unauthorized withdrawal.

B. UNFUNDED LIABILITY

The MEMBER must pay in full the amount of its proportionate share of any cumulative unfunded liability as determined by the BOARD. The penalty shall be paid in full within ninety (90) days following the date of unauthorized withdrawal.

C. RE-ADMISSION

A MEMBER which has withdrawn must be a non-MEMBER for a period of two (2) complete program years and must apply for membership pursuant to Section XIII.

XIV. INVOLUNTARY TERMINATION OF MEMBER

The AUTHORITY may, if it deems such action necessary to achieve the purposes stated hereinabove, elect to terminate any MEMBER's participation under this Agreement without that MEMBER's consent. The terminated MEMBER shall have the financial responsibilities expressed in Article XVII.B. Such action may only be taken upon an affirmative vote of two-thirds of all the MEMBERS of the BOARD OF DIRECTORS followed by ninety (90) days' written notice to the party of its involuntary termination.

XV. DISSOLUTION OF AUTHORITY

The AUTHORITY may elect at any time to terminate its joint activities carried on pursuant to this Agreement. Such election shall not be effective unless authorized by duly adopted action of each of the governing bodies of at least three-fourths of the current MEMBERS.

XVI. DISTRIBUTION OF FUND UPON WITHDRAWAL OR INVOLUNTARY TERMINATION OF A MEMBER OR UPON DISSOLUTION OF AUTHORITY

The monies deposited in the funds of the AUTHORITY, and any other property acquired by or belonging to the AUTHORITY pursuant to this Agreement, may not be returned or distributed or otherwise disposed of except as specifically provided herein.

A. WITHDRAWING MEMBERS

Any MEMBER electing to withdraw pursuant to the provisions of Paragraph XIII shall not remain obligated for any and all run-out claim liability which exceeds its proportionate share of incurred but not reported (IBNR) reserve. There will be no time limit applied with respect to when liability was incurred or when notice of the claim is received by the AUTHORITY. In no event shall a MEMBER exercising its unilateral right to withdraw be entitled to any refund or repayment of contributions or reserves.

B. INVOLUNTARY TERMINATION OF A MEMBER

Any MEMBER whose participation in this program is terminated involuntarily pursuant to Paragraph XIV shall continue to be liable for any claims paid in the same manner as specified in subparagraph A for withdrawing MEMBERS, as well as any and all other liabilities or obligations incurred by the AUTHORITY as a direct or indirect result of that MEMBER's participation in this Agreement.

C. DISTRIBUTION OF ASSETS AND LIABILITIES

Upon the dissolution of the AUTHORITY pursuant to Paragraph XV, the BOARD shall be authorized to take all necessary and reasonable steps to conclude the affairs of the AUTHORITY and to satisfy and extinguish any and all outstanding debts, liabilities, or obligations, including those involved in litigation, pending as of the effective date of the dissolution. All remaining assets of the AUTHORITY shall be pro-rated among the MEMBERS by program based on the average monthly enrollment for the twelve (12) month period immediately preceding the date of dissolution.

XVII. INVESTMENT OF SURPLUS FUNDS

The BOARD is hereby authorized to exercise its discretion to invest as it deems advisable any monies deposited with the AUTHORITY which are not required for the immediate necessities arising under this Agreement. Investments made pursuant to this paragraph shall be made in the same manner and upon the same conditions as is provided under Idaho law for public agencies.

XVIII. BONDING AND INSURANCE COVERAGE

DIRECTORS of the BOARD shall be required to obtain and file with the Secretary of the BOARD an official bond in an amount not less than \$10,000 if they will have charge of, handle

or have access to property of the AUTHORITY. The premium for each bond shall be paid from monies deposited in the AUTHORITY.

The BOARD shall secure errors and omissions coverage for the AUTHORITY and BOARD members at limits to be determined by the BOARD.

XIX. SEVERABILITY

In the event that any portion of this Agreement is hereafter found or declared to be void or otherwise rendered inoperative in any way, the remainder of this Agreement shall continue in full force and effect separate and apart from the portions so invalidated.

XX. AUTHORITY TO AMEND AGREEMENT

The MEMBERSHIP DELEGATION shall have the authority to amend this Agreement by a three-fourths vote at a properly noticed meeting.

XXI. VENDOR-CARRIER SELECTION

The selection of vendors and consultants for the AUTHORITY shall be at the sole discretion of the BOARD. Program offerings shall be at the sole discretion of the BOARD.

DATED: _____, 2010 ENTITY NAME _____

BY _____

Title _____

APPROVED AS TO FORM:

By _____
Legal Counsel

DATED: _____, 2010 ENTITY NAME _____

BY _____

Title _____

APPROVED AS TO FORM:

By _____
Legal Counsel

DATED: _____, 2010 ENTITY NAME

BY _____

Title _____

APPROVED AS TO FORM:

By _____
Legal Counsel

DATED: _____, 2010 ENTITY NAME

BY _____

Title _____

APPROVED AS TO FORM:

By _____
Legal Counsel

DATED: _____, 2010 ENTITY NAME

BY _____

Title _____

APPROVED AS TO FORM:

By _____
Legal Counsel

EXHIBIT A

PARTICIPATING PUBLIC AGENCIES

BYLAWS

of the

**IDAHO INTERGOVERNMENTAL
INSURANCE AUTHORITY**

Effective

as of

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BYLAWS
OF THE
IDAHO INTERGOVERNMENTAL INSURANCE AUTHORITY
EFFECTIVE AS OF _____

Article I, General Purpose and Nature

The Idaho Intergovernmental Insurance Authority is an intergovernmental authority organized pursuant to the Idaho Code Sections §67-2326 and §41-4101 et seq., for the purposes set forth in the Joint Powers Agreement entered into between and among the Members.

Article II, Offices

The Authority may have such other offices as the Board of Directors may designate or as the business of the Authority may require from time to time.

Article III, Members

Section 1. Membership Meeting. The Authority shall hold at least one regular membership meeting each year, and the Board shall fix the date, hour and place at which each regular membership meeting is to be held. Members may vote by absentee ballots. The Chair shall preside at all meetings of the Members. Special meetings may be called upon written request by the Chair, by one-third or more of the Directors, or by one-third or more of the Members.

Section 2. Member Voting. Each Member shall have one (1) vote on each matter presented to the Membership, and shall have one (1) vote for each Director to be elected and may not cumulate votes.

Section 3. Meeting. All meetings of the Members shall be called, noticed, held and conducted in accordance with the provisions of the Idaho Open Meetings Law. Written notice stating the place, day, and hour of the Members' meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten calendar (10) or more than fifty (50) calendar days before the date of the meeting, either personally, by mail, by telephonic or electronic means, or at the direction of the Chair, or the Officers or persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid addressed to the Member at its address as it appears on the official records of the Authority. Notices called for hereunder may be waived in accordance with Article XI of these Bylaws or by attendance at any such meeting.

Section 4. Voting Lists. The Officer or agent having charge of the official records of the Authority shall make a complete list of the Members entitled to vote at each meeting of members or any adjournment thereof. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole meeting for the purposes thereof. Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 5. Quorum and Conduct of Business. Members representing 15% of the Membership, provided that a minimum of ten delegates must be present for the transaction of authority business at a meeting of the delegation. However, in the event that there are less than twenty members of the authority, a quorum shall consist of the presence of delegates representing twenty-five percent of the members, provided that a minimum of five delegates must be present for the transaction of authority business at a meeting of the delegation. A vote of a majority of the members present at any such annual meeting shall be sufficient to approve an action of the authority. Every act done or decision made by a majority of Members present at a meeting duly held at which a quorum is present shall be the act of the Membership unless a vote by a greater number is required by law, the Joint Powers Agreement or these Bylaws. No business may be transacted by the Members without a quorum of the Members being present or represented by proxy, provided, however, less than a quorum may adjourn. Meetings of the Members shall be conducted in accordance with Roberts Rules of Order, except when in conflict with applicable law, the Joint Powers Agreement or the Bylaws.

Section 6. Informal Action by Members. Any action required to be taken at a Members' meeting, or any action which may be taken at a Members' meeting, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of the Members.

Article IV, Board of Directors

Section 1. General Powers. All powers shall be exercised by, or under the authority of, and the business and affairs shall be managed under the direction of the Board of Directors, in accordance with the powers and duties set forth in the Joint Powers Agreement.

Section 2. Membership of Board, Procedure for Electing and Term in Office

A. Membership. The Board shall be composed of a minimum of five (5) but no more than eleven (11) Directors, appointed or elected in the following manner:

B. Procedure. The nomination and election of the Board of Directors will be conducted at the regular annual meeting of the Authority. No Member shall have more than one Director at any time. If at the time of the annual meeting, a Member is not participating in the Authority's Programs, it shall not be eligible to vote for Board of Directors.

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C. Terms. Directors, whether appointed or elected, shall serve a term as provided in the Joint Powers Agreement.

A Director shall hold office until: (i) the expiration of his or her term of office or the Member he or she represents no longer participates in the Programs of the Authority and (ii) until a successor has been elected or appointed. In the event of a vacancy, the remaining Directors shall appoint a replacement Director who shall serve until the expiration of the predecessor's term.

Section 3. Board Meetings. The Board shall hold at least four (4) regular meetings each year. The Board shall fix the place where each regular meeting is to be held. Special meetings may be called upon written request by the Chair or one-third or more of the Directors.

Section 4. Notice. All meetings of the Board shall be called, noticed, held and conducted in accordance with the provisions of the Open Meeting Law.

Section 5. Quorum and Conduct of Business. A majority of the authorized number of Directors constitutes a quorum. Every act done or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of that body, unless a vote by a greater number is required by law, the Joint Powers Agreement or these Bylaws. No business may be transacted by the Board without a quorum being present; provided, however, less than a quorum may adjourn. Meetings of the Board shall be conducted in accordance with Roberts Rules of Order, except when in conflict with applicable law, the Joint Powers Agreement or these Bylaws.

Section 6. Meetings by Telephone Conference Call. In addition to any of the methods for holding a regular or special meeting of the Board of Directors otherwise set forth in these Bylaws, members of the Board of Directors, or any committee designated thereby, may participate in a meeting of such Board or committee by means of a conference telephone or other electronic means of which all persons participating in the meeting shall have an equal opportunity to hear and participate in the entire meeting; and participation by such means shall constitute presence in person at a meeting.

Section 7. Action Without a Meeting. Any action which may be taken by the Board of Directors or a committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or all of the members of the committee, as the case may be, entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote.

Section 8. Resignation of a Director. A Director may resign upon giving thirty (30) calendar days' notice in writing to the Chair of the Board of Directors of the Authority. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such other officer, and the acceptance of such resignation shall not be necessary to make it effective.

Section 9. Removal of a Director. Any Director may be removed from office at any time by a majority vote of the Board for inefficiency, neglect of duty or malfeasance in office. Neglect of duty shall occur when a Director fails to attend a regular or special meeting for a period of six (6) consecutive months, subject to review by the Board. Notification of such removal or appointment of a successor shall be by instrument in writing by the Board and delivered to all Members.

Section 10. Compensation of Directors. The Directors shall receive no salary but may be compensated for any reasonable and necessary expenses incurred in connection with the performance of their duties.

Section 11. Vacancies. Vacancies on the Board may be filled by a majority of the remaining Directors, each Director so elected shall hold office for the unexpired portion of the term for the position to which they are elected to fill and until that Director's successor has been elected and qualified.

Section 12. Presumption of Assent. A Director of the Authority who is present at a meeting of the Board of Directors at which action on any matter is taken is presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent by registered mail to the Chief Executive Officer of the Authority immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Article V, Officers

Section 1. The Board of Directors shall elect from its membership a Chair, a Vice Chair, a Secretary and a Treasurer. The Secretary and Treasurer may be appointed from outside the membership of the Authority.

Section 2. Committees. The Chair shall have the authority to appoint members to committees, both standing and special, as he or she deems appropriate, with the approval of the Board.

Article VI, Staff and Independent Contractors

Principal Staff. The Board may provide for the creation of positions or the contracting with independent outside contractors through its budget process as may be necessary for the administration of the Authority.

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Article VII, Contracts, Loans, Checks and Deposits

Section 1. Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Authority. Such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in the name of the Authority unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by such Officer or Officers, agent or agents, of the Authority and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Authority not otherwise employed shall be deposited to the credit of the Authority in such banks, trust companies, or other depositories as the Board of Directors may select or authorize.

Article VIII, Fiscal Year

The fiscal year of the corporation shall begin on October 1 and end on September 30 each year.

Article IX, Accounts and Records

Section 1. Annual Budget. The Authority shall annually adopt an operating budget not later than the commencement of the fiscal year.

Section 2. Funds and Accounts. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board. Books and records of the Authority shall be open to inspection at all reasonable times by authorized representatives of the Members.

The Authority shall adhere to the standard of strict accountability of public funds.

Section 3. Annual Report. The Authority, within one hundred and eighty (180) calendar days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member.

Section 4. Annual Audit: The Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority. A report of the audit shall be filed as a public record and will be made available to each Member within six months of the end of the fiscal year under examination. Costs of the audit shall be considered a general expense of the Authority.

Article X, Responsibilities for Funds and Property

Section 1. Custody of Funds: The Authority's authorized agent shall have the custody of and may disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board to perform that function.

Section 2. Property of Authority: The Persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of the Authority.

Section 3. Fidelity Bonds: The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and agents of the Authority who are authorized to hold or disburse funds of the Authority, and all officers and agents who are authorized to have charge of, handle, and have access to property of the Authority.

Article XI, Waiver of Notice

Whenever any notice is required to be given to any Member or Director of the Authority under the provisions of Idaho law, the Joint Powers Agreement or under the provisions of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Article XII, Indemnification

Any person who at any time shall serve, or shall have served as a Director or Officer of the Authority, shall be indemnified, held harmless and defended by the Authority against all costs and expenses (including but not limited to attorney's fees of an attorney approved by the Authority), amounts of judgments, and settlements reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which he, she, or they may be involved by virtue of such person's being or having been a Director or Officer; provided, however, that such indemnity shall not be operative with respect to: (1) the Director or Officer gaining any personal profit or advantage in his or her capacity as Director or Officer, (2) the dishonesty of a Director or Officer, (3) a Director's or Officer's conflict of interest, (4) willful violation of a statute or ordinance committed by a Director or Officer or with the Director's or Officer's knowledge or consent, or (5) any matter as

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to which the Director or Officer shall have been finally adjudged in such action, suit or proceeding to be liable for misconduct in the performance of his or her duties as Director or Officer. The indemnification will not be operative for any settlement unless the settlement is approved by a majority of the Directors.

Article XIII, Amendments

These bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board of Directors by at least two-thirds (2/3) vote of all of the members of the Board voting at any regular or special meeting of the board, subject to repeal or change by action of the Members; provided, however, that the number of directors shall not be increased or decreased, nor shall the provisions of Article III concerning the Members be substantially altered, without prior approval of at least two-thirds (2/3) of the Members voting at a regular or special meeting of the Members or by written consent.

BYLAWS
OF THE
IDAHO INTERGOVERNMENTAL INSURANCE AUTHORITY
EFFECTIVE AS OF _____

KNOW ALL PERSONS BY THESE PRESENT that the undersigned Chair of the IDAHO INTERGOVERNMENTAL INSURANCE AUTHORITY does hereby certify that the above and foregoing Bylaws were duly adopted by the Directors of the corporation on the _____ day of _____, 2010, and the same now constitute the Bylaws of this Authority.

Gary B. Marks, Chair

ATTEST:

_____, Secretary

Prepared by:
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