

**AGENDA ITEM SUMMARY**

11/29 - 2<sup>nd</sup> Reading

DATE: 11/22/10 DEPARTMENT: PW DEPT. HEAD SIGNATURE: 

**SUBJECT:** A city initiated text amendment to Section 12.20.030.1 of the Hailey Municipal Code to implement a revision to the Tree Ordinance to address encroachment fees, replacement costs and procedures for Public Trees.

**AUTHORITY:**  ID Code \_\_\_\_\_  IAR \_\_\_\_\_  City Ordinance/Code \_\_\_\_\_  
(IF APPLICABLE)

**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

This item was discussed at the October 25, 2010 council meeting and a minor revision was made to remove the word "maintain" from the first sentence of Section 12.20.030.1. The items below were discussed as the reasons to revise the ordinance.

1. When a person asks to be allowed to remove a public tree that is dead, dying or presenting a risk at their expense our ordinance currently requires an encroachment permit which requires a \$50 fee. As they are assisting with what would otherwise be our cost the Tree Committee feels that this fee should be waived.
2. When there is no reason for a public tree to be removed as requested by a property owner this ordinance revision would allow for the option of paying the City the value of the tree that we would use to replant elsewhere.
3. The Tree Committee has developed a permit form for reviewing the condition of a tree being requested to be removed. They are requesting that Council approve their recommended form.

**Recommendation:**

Motion to approve the Tree Removal Application Form and to approve the Ordinance and conduct the first reading by title only.

**FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:** Caselle # \_\_\_\_\_  
 Budget Line Item # \_\_\_\_\_ YTD Line Item Balance \$ \_\_\_\_\_  
 Estimated Hours Spent to Date: \_\_\_\_\_ Estimated Completion Date: \_\_\_\_\_  
 Staff Contact: Tom Hellen Phone # 788-9830 Ext 14  
 Comments: \_\_\_\_\_

**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:**

**ADMINISTRATIVE COMMENTS/APPROVAL:**

City Administrator \_\_\_\_\_

Dept. Head Attend Meeting (circle one) Yes No

**ACTION OF THE CITY COUNCIL:**

Date 11/22 Council approval ord. No. 1076 & Mayor conducted

11/29 <sup>1st</sup> Reading  
2nd Reading

City Clerk \_\_\_\_\_

**FOLLOW-UP:**

\*Ord./Res./Agmt./Order Originals: Record

\*Additional/Exceptional Originals to: \_\_\_\_\_

Copies (all info.):

Copies (AIS only)

Instrument # \_\_\_\_\_

Draft 12-30-03

HAILEY ORDINANCE NO. 1076

AN ORDINANCE OF THE CITY OF HAILEY, IDAHO, AMENDING SECTION 12.20.030.1 TO REGULATE STANDARDS FOR ENCROACHMENT PERMITS AND REPLACEMENT OPTIONS FOR PUBLIC TREES; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE OF THIS ORDINANCE UPON PASSAGE, APPROVAL AND PUBLICATION ACCORDING TO LAW.

WHEREAS, the Mayor and the City Council of the City of Hailey have adopted the City of Hailey Parks, Lands & Trails Master Plan, Standards & Guidelines ("Master Plan"), which promotes diverse recreation opportunities within walking distance for the greatest number of residents of Hailey;

WHEREAS, the Master Plan recognizes that our trees, which make up our community forest, are an asset and contribute to reduced energy and maintenance costs, while making the community a more pleasant place to live and work; and

WHEREAS, in order to promote the health, safety and welfare of the general public, the Mayor and the City Council of the City of Hailey desire to ensure that our community forest is maintained and improved in a manner that ensures it is protected for future generations;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF HAILEY, IDAHO:

**Section 1.** Section 12.20.030.1 of the Hailey Municipal Code is amended, by the addition of the underlined language and the deletion of the stricken language, as follows:

Chapter 12.20

HAILEY TREE ORDINANCE

12.20.030 Public Trees.

12.20.030.01 No person, firm or legal entity shall plant, prune, or remove any Public Tree without first obtaining an encroachment permit from the City of Hailey. All such permit applications shall be reviewed following policies recommended by the Hailey Tree Committee. The city may grant a permit or conditionally grant a permit only when such is consistent with provisions of this Chapter and/or other applicable laws or standards. There shall be no fee for an encroachment permit obtained for removal of a Public Tree deemed by a certified arborist to be dead, dying or presenting a condition requiring risk mitigation. Conditionally granted encroachment permits may include provisions for the applicant to provide to the City of Hailey the replacement value of the Public Tree for the use of providing new Public Tree(s) in another location at the discretion of the City.

**Section 2.** If any section, paragraph, sentence or provision hereof or the application thereof to any particular circumstances shall ever be held invalid or unenforceable, such holding shall not affect the remainder hereof, which shall continue in full force and effect and applicable to all circumstances to which it may validly apply.

**Section 3.** All ordinances and parts of ordinances in conflict herewith are hereby repealed.

**Section 4.** This Ordinance shall be in full force and effect from and after its passage, approval, and publication according to law.

**PASSED AND ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED  
BY THE MAYOR THIS \_\_\_\_ DAY OF AUGUST, 2010.**

\_\_\_\_\_  
Richard L. Davis, Mayor, City of Hailey

Attest:

\_\_\_\_\_  
Mary Cone, City Clerk



# City of Hailey Tree Removal Application

Name of Applicant: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Cell Number: \_\_\_\_\_  
 email: \_\_\_\_\_

Physical address or description of location of work to be performed (attach map if necessary):  
 \_\_\_\_\_  
 \_\_\_\_\_

Reason(s) for public tree removal (you are required to attach an additional written request for removal detailing scope of project and any costs involved, including costs you are willing to incur):  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Public tree removals shall not take place until a final written agreement of all parties occurs, except in cases deemed hazardous by the Hailey Tree Committee. **The applicant agrees** to the conditions of the City of Hailey Tree Ordinance and this permit. **I hereby acknowledge** I have filled in this application accurately and provided the required information to the best of my knowledge.

\_\_\_\_\_ applicant's signature

\_\_\_\_\_ date

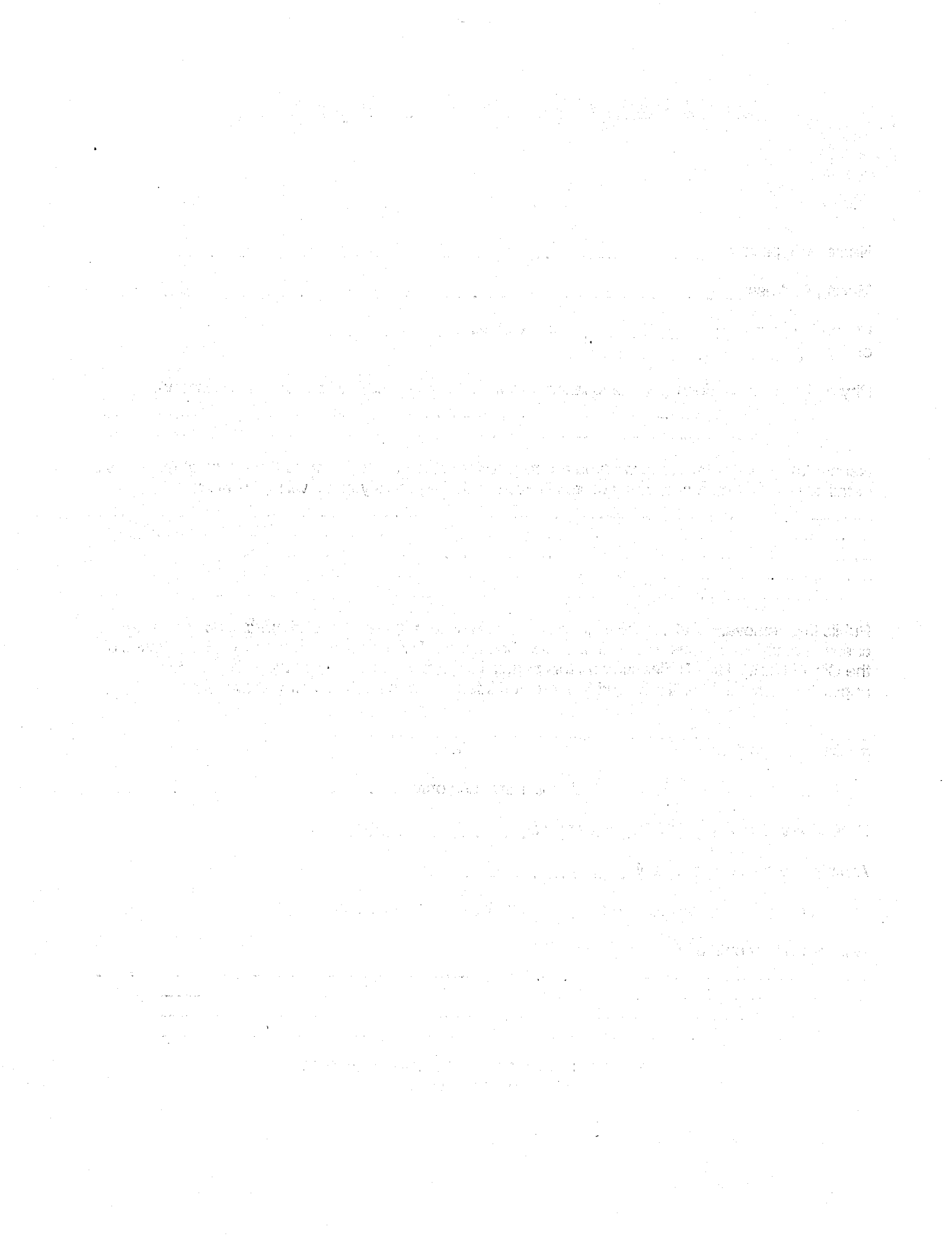
.....administrative use only .....

Date received by Public Works Department: \_\_\_\_\_

Arborist review date and initial: \_\_\_\_\_

approved \_\_\_\_\_ disapproved \_\_\_\_\_ approved with conditions \_\_\_\_\_

Administrative comments:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



AGENDA ITEM SUMMARY

DATE: 11/29/2010 DEPARTMENT: DEPT. HEAD SIGNATURE: MHC

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SUBJECT:

Proposal for Joint Powers Agreement between cities and counties for the purpose of creating an insurance group large enough to gain meaningful data upon which future decisions about cost control, including partial or full self-insurance options, could be based.

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BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

In the last council meeting 11/22/10 council wanted to wait to make a decision on this agreement. The Hailey City benefits committee will meet during the day on 11/29/10 and will report to council in tonight's meeting the outcome of the discussion. Council wanted to make sure that the benefits committee was fully informed as to early termination fees and potential benefits changes within the 3 year data collection period for the group.

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FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

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ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

<input type="checkbox"/> City Attorney	<input type="checkbox"/> Clerk / Finance Director	<input type="checkbox"/> Engineer	<input type="checkbox"/> Building
<input type="checkbox"/> Library	<input type="checkbox"/> Planning	<input type="checkbox"/> Fire Dept.	<input type="checkbox"/> _____
<input type="checkbox"/> Safety Committee	<input type="checkbox"/> P & Z Commission	<input type="checkbox"/> Police	<input type="checkbox"/> _____
<input type="checkbox"/> Streets	<input type="checkbox"/> Public Works, Parks	<input type="checkbox"/> Mayor	<input type="checkbox"/> _____

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RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Ask for update from committee members Dawson or Gunter from the meeting and make a motion based on the outcome of the discussion.

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FOLLOW-UP REMARKS:

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AGENDA ITEM SUMMARY

DATE: 11/22/2010 DEPARTMENT: Administration /Legal DEPT. HEAD SIGNATURE: HD

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SUBJECT

Joint Powers Agreement with multiple cities and counties for the purpose of forming a pooled entity for health insurance.

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BACKGROUND:

Ketchum City Administrator Gary Marks and his insurance consultant Charlene Herless presented the pooled insurance concept to the Hailey City Council last summer. The city council asked that the benefits committee review the proposal, which has been done. The benefits committee has recommended that Hailey enter into the JPA. This matter was agenda for October 26, but pulled by the city attorney for legal review. The attorney's comments, below, have been pursued through conversations with the parties, and the attorney's concerns have been met. The primary concern will be handled through an MOU created by the board of directors in their first few meetings which creates "authorized withdrawals without penalty" during the first three years of the contract

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There are two primary issues. The first issue involves the withdrawal process in Section XIII(A). The withdrawal process contemplates that any member may withdraw on an annual basis but within the first three years, there would be a penalty equal to one year of premiums. The literature accompanying the agreement certainly expresses the intent to operate 3 years during which time the Idaho Intergovernmental Insurance Authority ("III-A") would only gather utilization data. But the actual agreement does not seem to make that distinction. I would think the agreement ought to state that the first 3 years of operation will not involve either self-insurance or purchase of insurance from outside carriers. In the unlikely event that III-A bought insurance in year two and Hailey wished to withdraw before the expiration of the three year term, I would think that Hailey would be subject to an unacceptable penalty. I would think that III-A would want a standardized agreement. If so, then I assume III-A would want to use the same agreement before us as the document to be used by future members. The penalty associated with a withdrawal during the first 3 years, as stated in the proposed agreement, may act as a disincentive to future members. I would think III-A would want to encourage membership by other entities. But, perhaps there is an explanation for the penalty.

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The second issue involves the selection of the consultant. There is no legal requirement that we go out to bid for the consultant, but there certainly is a good argument that the best practice is to solicit proposals. By soliciting proposals, III-A may obtain a lower priced consultant and/or a consultant who offers greater services. In addition, the solicitation process may provide useful alternative information.

One way of potentially addressing both issues is to obtain contractual language which states III-A would not pursue self-insurance or purchase insurance from outside carriers until the expiration of the initial 3 year period and to go out for a RFP/RFQ for a consultant before the expiration of the three year period.

Finally, there are two minor points about the contract. In Section XIV, the language refers to XVII.B. I believe it should be XVI.B. In addition, I believe the first sentence in Section XVI(A) should be clarified. I do not understand what is meant by run-out liability and the IBNR reserve. NED

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FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

Huge savings can be gleaned through future self-insurance or partial self-insurance policies adopted by the pool

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RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Council move to enter into the Joint Powers Agreement III-A for the purpose of forming a health insurance pool of counties and cities.

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FOLLOW UP NOTES

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## JOINT POWERS AGREEMENT

### Idaho Intergovernmental Insurance Authority

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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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