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Minutes—III-A Board of Trustee Meeting--Public Release

Date/Time: Wednesday, February 12, 2020 at 10:00 a.m. MDT

Location: Eagle Fire Station #1, 966 Iron Eagle Drive, Eagle, ID 83616

Trustees Present: Rick Watkins, Dan Hammond, Grant Gager, Gary Aldous, Ruth Bailes, Rusty Coffelt, Traci Malvich, Suzanne McNeel, Jeff Miles, Danielle Painter, Patty Parkinson, and Pat Riley

Trustees Absent: Jared Mitton

Also Present: Marianne Gatchell, Lisa Enourato, Cherese McLain, Jacob Catmull, Charlynn Harless, Suzi Budge, Amy Manning, Susan Lasuen, Megan Smith, and Lisa Fritz

Open Session @ 10:06 am

1. Welcome and Roll Call—Chairman Watkins called meeting to order at and introduced Jeff Miles, LHTAC Trustee. Staff and contractors introduced themselves. Roll was taken.

Chairman Watkins allowed Lisa Enourato to read a statement to the Trustees.

2. ACTION ITEM: Approve Minutes
 - Rusty moved to approve the January 27, 2020 minutes; Ruth seconded. Passed unanimously.
3. ACTION ITEM: Accept Financial Statements for December 2019
Jacob explained the December Financial Statements including the annual IBNR adjustment. The IBNR is projected by Milliman in the annual rate setting report and represents three months of claims. Milliman's projected claims are higher than actual claims, this results in the IBNR amount used in the October Financial Statements. This amount is adjusted once the actual IBNR is provided by Milliman for the III-A audit in December of each year. The Trustees are financially conservative and directed Jacob to use IBNR at the 75th percentile, rather than the 50th percentile required by DOI, in the Financial Statements. Recording the change in IBNR creates a deficit for the month of October although no funds are actually spent.

In later discussion, Grant stated the dollar amount required to secure the Aggregate Stop Loss Waiver from DOI should be identified as restricted in the budget. Traci responded only the dollar amount needed to purchase Aggregate Stop Loss should be restricted. Rick expressed concern over identifying the funds as restricted since the Trust can opt to purchase Aggregate at any point. Jacob explained that a note explaining the waiver in the Financial Statements is sufficient.

Amy was instructed to email DOI to request their preference. DOI responded that financials are required to be GAAP compliant and anything beyond is not required by DOI.

- Patty moved to accept the December Financial Statements; Ruth seconded. Passed unanimously.

4. Trustee Training

Cherese distributed a training document to the Trustees regarding their responsibilities as Trustees.

Executive Session @ 11:07 am

I.C. 74-206(1)(d) and (i) Executive Session

- Dan moved to enter into Executive Session; Rusty seconded. Passed unanimously via Roll Call vote.
5. Executive Director Report--Amy
 6. Consultant Report--Charlynn

Open Session @ 12:05 pm—Moved into Open Session took a 15-minute break

III-A Lobbyist, Suzi Budge, reported on current issues being discussed in the Idaho Legislature and responded to general questions by the Trustees.

7. ACTION ITEM: Adopt Canceled Checks & Late Fee Policy

Finance Committee Chair (Patty) reported one agency had two returned checks for non-payment in June and September 2019; one agency became 60 days behind on payments which was required to be disclosed on our quarterly report to DOI. Finance Committee recommended adoption of the policy.

Jeff recommended changing the word “shall” to “may” in the policy which allows the Executive Director to have discretion in assessing the fee based on each case.

- Ruth moved to approve the policy with the edit of changing the word from “shall” to “may”; Gary seconded. Passed unanimously.

8. ACTION ITEM: Adopt the Revised 2019-20 Budget

Finance Committee Chair (Patty) reported the budget needed to be updated because of a significant increase in membership, contract changes, and staffing changes since the original budget was passed in July. Items updated: Contributions—assumptions listed and based on proposed rates, Claims—assumptions listed and based on projected claims in Milliman final report, Change in IBNR—to reflect actual adjustment in reserve per Milliman IBNR letter for audit (11/2019), All budget lines with fees based on enrollment numbers, Accountant’s approved contract change, Operations Manager salary and benefits, Public Relations/Marketing Firm--\$120,000--Patty noted that this was an estimate for budgeting purposes only. Final budget projection is a positive \$921,360. Finance Committee approved the presented budget and recommended adoption.

- Grant moved to table this item until the trustees held the PR Firm Interviews later in the meeting, and then discuss the line item. There was no second, the motion died.
- Ruth moved to approve the 2019-20 Revised Budget as presented; Danielle seconded. Passed by majority.

9. ACTION ITEM: Adopt Personnel Policy Version 1.1.20

HR Committee Chair (Traci) reported the III-A Personnel Policy was reviewed by the committee and several changes and edits were approved. The policy has been reviewed by Cherese and by Carl Erikson at ICRMP. Their additional comments will be included. Jeff also requested a few grammatical changes that were noted and will be included. Grant expressed concern about the amount of vacation time for employees because of holidays and weekends and asked if it had been reviewed by the committee. Traci responded that it had been and she determined it to be low but did not request it be raised because staff was satisfied with the current amount offered. The committee recommended adoption of the Personnel Policy with the additional comments by ICRMP and grammatical edits.

- Dan moved to adopt the Personnel Policy as amended and include the grammatical edits and ICRMP language; Ruth seconded. Passed unanimously.

10. ACTION ITEM: Bylaws

Strategic Planning Committee Chair (Gary) reported the Bylaws were reviewed and discussed by the Committee. The Committee learned the Bylaws adopted were provided from the California School Districts with some language changed to comply with Idaho law at the time. They have not been reviewed or updated since 2011 and have information that conflicts with the JPA along with inconsistency in terms and actual practice. The Committee received comments from Cherese recommending elimination of the Bylaws. Cherese explained the Bylaws are unnecessary and the JPA is the governing document of the Trust. DOI was contacted to clarify if Bylaws are required, and they are not required per Idaho Code or DOI regulations. Grant expressed his concern in eliminating the bylaws without more discussion as a board or seeing the documents side by side and what they each cover. The Committee reported they had reviewed both documents and recommended eliminating the Bylaws.

In later discussion, Jeff stated for the record he had reviewed the JPA and Bylaws and found the JPA to contain the governing information of the Trust.

- Ruth moved to eliminate the Bylaws of the III-A; Patty seconded; Passed 11-1 via Roll Call vote. Grant was the dissenting vote.

11. ACTION ITEM: Discussion/Vote on Dependency Pregnancy Coverage

Medical Review Committee Chair (Rusty) reported the committee discussed dependent pregnancy coverage. This was tabled from the October meeting to gather additional information. The Trust currently covers dependent pregnancies and has done so since the Trust was founded. The Committee confirmed with DOI that dependent pregnancy coverage is not required but is often included in plans. All BCI fully insured plans cover dependent pregnancy including small group, medium group, large group, and the Exchange Plans. The baby of a dependent is not covered under any III-A plan at any time. The Trust's costs for dependent coverage since 2015 were reviewed and found to be insignificant. The Committee recommended the Trust continue covering dependent pregnancies because all fully-funded plans cover it, the Trust has a reputation of providing the highest level of coverage, and excluding this would not be consistent with that mission. The costs to the Trust over the last 5 years have been minimal.

- Ruth moved to adopt the Medical Review Committee's recommendation and make no change to the plan; Pat seconded. Passed unanimously.

12. Next Meetings Set

April Meeting: April 23, 2020 at Eagle Fire District #1

June Meeting: June 10, 2020 @ Boise Centre

13. PR Firm Interview—OPTL

Representatives gave a 15-minute presentation with 15 minutes for Q&A

14. PR Firm Interview—Fahlgren Mortine

Representatives gave a 15-minute presentation with 15 minutes for Q&A

15. PR Firm Interview—Red Sky

Representatives gave a 15-minute presentation with 15 minutes for Q&A

16. ACTION ITEM: Select Public Relations/Marketing Firm

There was discussion by the Trustees surrounding the public relations/marketing firms and the direction they would like to take with the companies. Amy explained the services the PR firm could provide to enhance the information the III-A can provide to agencies. Charlynn explained the benefit of a PR firm explaining the III-A's story. Grant referenced a III-A brochure produced in 2011 which states a source of savings for the Trust is not incurring marketing expenses.

- Grant moved to stay true to the mission of III-A and not pay marketing expenses and to table the decision for a future date. There was no second, the motion died.
- Dan moved to pick a firm and use a narrower secondary scope. A new estimate should be prepared based on what is really needed, have the company attend the April meeting and present the information; Gary seconded; Passed by majority.

Additional discussion was held concerning the companies and preferences of the Trustees.

- Danielle moved to negotiate with Fahlgren Mortine on a narrower scope of services and invite them to our April meeting; Ruth seconded; Passed 9-3 via Roll Call. Grant, Gary and Jeff were the dissenting votes.

17. Adjourned @ 3:51 pm