

BLACKFOOT SPECIAL COUNCIL MEETING

November 29, 2012

8:00 A.M.

Mayor Virtue welcomed those in attendance and invited everyone to join him in the Pledge of Allegiance. Roll call was taken and those in attendance were: Councilman Brown, Councilman Jensen, and Councilman Woodfin.

Mayor Virtue informed the Council that the next City Council meeting will be held December 4, 2012 and the City Council Meeting for January will be on the 8th instead of January 1st. He will appoint a new Councilman at that meeting.

Mayor Virtue presented a brief history on the status of the III-A insurance. In the years 2008 thru 2010 the City of Blackfoot underwent large increases in our insurance premiums. The City's insurance with Blue Cross had increased considerably; and it was evident that we needed to find an alternate insurance plan. The City checked into Blue Shield, Altius and Pacific Source Insurance but the premiums that came back were very costly. There were no other options but to look for an alternate insurance plan. Mayor Virtue stated the area Mayor's had been discussing this issue at the Regional Mayors meetings. In 2010 he talked with Gary Marks from Hailey, Charlynn Harless, Corporate Advisor for the Montana Independent Intergovernmental Agency Insurance Co-op, and the Idaho Independent Intergovernmental Agency (III-A). This insurance program has been very successful in the Montana area. The City of Blackfoot did not jump right into the program but took their time considering the possible benefits before signing the Joint Powers Agreement (JPA). There were 38 cities that were involved in the program and 787 employees. Mayor Virtue gave a brief overview of the JPA, the claims experience, the actuary reporting and how that will affect the city's premiums. Mayor Virtue said the III-A has assessed the city approximately \$2,200 per employee to help bolster its pool of reserves to cover claims. Mayor Virtue explained the city switched their employee health insurance plan to the III-A program last March, we were hoping to save money, but instead the City of Blackfoot is facing the assessment to help keep III-A solvent after it was hit with a flood of large medical claims. Mayor Virtue stated that if we would have stayed with Blue Cross or gone with Blue Shield the cost would have severely damaged us. Mayor Virtue explained the JPA requires cities to stay with the program for three years. This keeps cities from jumping in and out and creates stability. He expressed the importance for us to stay with the III-A, and eventually the City would gain control of insurance premium costs.

Councilman Jensen stated we knew this was a possibility going into this. We wanted control of the ever increasing costs that we have been receiving each year. He expressed a desire to see the III-A program through and feels that it is important to make it work for the City. Mayor Virtue replied that it was important to stay the course.

Councilman Jensen moved to approve the \$2,200 per employee as described. Councilman Brown seconded. All were in favor. It passed on a roll call vote:

Councilman Brown – Yes
Councilman Jensen – Yes
Councilman Woodfin – Yes

Councilman Woodfin moved to adjourn. Councilman Jensen seconded. All were in favor. The meeting adjourned at 8:37 a.m.

City of Blackfoot

Mayor Mike Virtue

Attest:

City Clerk Suzanne McNeel