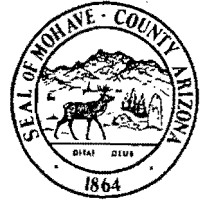


Mohave County Risk Management Office



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MEMORANDUM

DATE: September 21, 2012

TO: Mohave County Self Insured Retention (SIR) Trustees

FROM: Ron Walker, County Manager

RE: Trust Board Composition Change

The Mohave County SIR Trust Board is currently comprised of five members as follows:

- One member of the Board of Supervisors;
- One County employee (currently the County Manager); and
- One citizen from each of the three supervisorial districts, as appointed by the County Supervisor of that district.

All Trustees are appointed by the Board or Supervisors and serve staggered three-year terms.

Article Five of the Declaration of Trust for the Self-Insurance Trust states that the Trust shall be administered by not less than five joint Trustees appointed by the Board. It states that at all times, at least one Trustee shall be an employee of the County and at least one Trustee shall be an officer of the County. The term of office shall be for three years, with the initial appointees to serve staggered terms.

Upon review of the Declaration, it is allowable to have a seven (7) member Trustee Board after January 1, 2013. The following composition is recommended:

- One member of the Board of Supervisors;
- One County employee; and
- One citizen from each of the five supervisorial districts, as appointed by the County Supervisor of that district.

All appointments must be approved by the Board of Supervisors. In order to allow consistency and to avoid having all the appointments to expire at the same time, it is recommended that the initial terms be staggered as with the initial establishment of the Trust.

To be determined on a random basis:

- 3 Trustees shall serve an initial term of three (3) years
- 2 Trustees shall serve an initial term of two (2) years
- 2 Trustees shall serve an initial term of one (1) year

Following these initial terms, all renewal terms shall be for a period of three years. Additionally, should a Trustee be unable to fulfill their full term, their successor should be appointed to complete the term of the current Trustee, not for a new three-year period. This will keep the staggered three-year terms in place and Trustee turnover on a manageable basis.

Staff is recommending that Trustees approve the new Board composition to be effective for the first meeting after January 1, 2013.

Self-Insurance Retention/Employee Benefit Trust – SIR/EBT

The SIR/EBT was established in 1990 for the purpose of:

SIR

Providing for the establishment of self-insured retention programs and provide for the authorization for the management, funding and administration of the fund for the direct payment of benefits, losses or claims or any combination of insurance and direct payments.

EBT

Providing for the establishment of a trust fund to provide benefits for, but not limited or restricted to Basic or Major Medical coverages for accidents or sicknesses, Life, Accidental Death and Dismemberment, and any other benefits as determined by the Trustees for employees and their dependent families.

The composition of the SIR/EBT Board calls for:

- 1 Member BOS
- 1 County Employee (Historically the County Manager)
- 1 Citizen from each of the 5 supervisorial districts, as appointed by the County Supervisor of that district.