

FDAC EMPLOYMENT BENEFITS AUTHORITY

Board of Directors Meeting

Thursday, June 21, 2012

10:00 a.m. – 1:00 p.m.

Thoits

160 W. Santa Clara Street, 12th Floor

San Jose, CA 95113

Call-In Number: (866) 704-7500

Passcode: 978212

Subscriber PIN: 381060

Agenda

- | <i>Item</i> | <i>Action</i> |
|---|--------------------|
| I. Welcome and Introductions | |
| II. Public Comment | Discussion |
| III. Consent Calendar | Action |
| A. Minutes – April 3, 2012 | |
| B. May 31, 2012 Financials | |
| C. Membership AR Report – May 2012 | |
| IV. Consultant Contract - BRMS | Info/Action |
| <i>The Board will receive review and approve a new three-year contract with the Third Party Administrator.</i> | |
| V. 2012-13 Budget | Info/Action |
| <i>The Board will review and adopt the draft 2012-13 budget as prepared by staff for the following fiscal year.</i> | |
| VI. 2013 Renewal Rates | Info/Action |
| <i>The Board will discuss and may set the premium rates for the 2013 program year.</i> | |
| VII. LAIF Account | Info/Action |
| <i>The Board will discuss opening an investment account with the Local Agency Investment Fund.</i> | |
| VIII. Update on Board Vacancy | Discussion |

- | | |
|--|--------------------|
| IX. Consultant Reports | Info/Action |
| A. Thoits | |
| B. BRMS | |
| C. Smith Moore & Associates | |
| D. Legal Counsel | |
| X. Next Meeting | Info |
| XI. Adjourn | Action |

FDAC EBA BOARD OF DIRECTORS
Meeting of June 21, 2012

AGENDA SUPPORTING DATA

Agenda Item III. Consent Calendar

- A. Minutes – April 3, 2012
- B. May 31, 2012 Financials
- C. Membership AR Report – May 2012

FDAC Employment Benefits Authority
Board of Directors Teleconference Meeting
Tuesday, April 3, 2012

In Attendance

Charlene Virts, President
Tom Keating, Secretary/Treasurer
Jean Moore, Director

Consultants

Melissa Dixon, Administrator
Anna Marie White, Thoits
Rosa Soria, Thoits
Helen Buhagiar, Thoits
David Turner, Actuary
David McMurchie, Legal Counsel
Jane Phong, BRMS
Sidney Dominico, BRMS
Anne Hanlon, Health Net
Michelle Martinez

President Charlene Virts called the meeting to order at 9:03 a.m. President Virts welcomed everyone, and introductions were made. A quorum was established. There was no public comment.

Consent Calendar

The Board addressed the consent calendar, which included minutes from the January 17, 2012 meeting, financials through February 29, and the membership accounts receivable report for February 2012. Director Tom Keating moved to approve the consent calendar; Director Jean Moore seconded.

Ayes: Charlene Virts, Tom Keating, Jean Moore
Noes: None

Consultant Contracts

Administrator Melissa Dixon informed the Board that the consultant contracts for BRMS, Turner Consulting and Smith Moore & Associates are set to expire on June 30, 2012. Administrator Dixon has negotiated a renewal contract with Turning Consulting; Director Moore and Past President Mike McMurry negotiated the Smith Moore & Associates renewal contract. Administrator Dixon informed the Board that the renewal contract for BRMS was still being worked on; a meeting would be scheduled to approve the contract once negotiations are completed. Director Keating moved to approve both Turner Consulting and Smith Moore & Associates contracts as presented. Director Moore seconded.

Ayes: Charlene Virts, Tom Keating, Jean Moore
Noes: None

McMurry Resignation

Administrator Dixon presented to the Board the letter of resignation from Past President McMurry, effective March 31, 2012. Director Moore moved to receive and file the resignation; Director Keating seconded.

Ayes: Charlene Virts, Tom Keating, Jean Moore
Noes: None

The Board then discussed the process for appointing the vacancy. Legal Counsel David McMurchie informed the Board that the Fire Districts Association of California (FDAC) Board of Directors is

responsible for filling any vacancies on the EBA Board of Directors. McMurchie suggested we consider a Bylaws revision to allow the EBA Board of Directors to appoint its own Board. Administrator Dixon will work with FDAC staff to appoint this current vacancy, and suggest amending the Bylaws to allow for the EBA to appoint its own Board.

Penn Valley Correspondence

Administrator Dixon reviewed with the Board the correspondence received from Penn Valley Fire Protection District. Some of the district's employees have had difficulties with the transition to Health Net, and the district was inquiring whether the Board would allow them to withdraw from the Board prior to the timeline outlined in the Bylaws. After some discussion, Director Keating moved to respond to Penn Valley with a letter stating the district would need to comply with the Bylaws. Director Moore seconded.

Ayes: Charlene Virts, Tom Keating, Jean Moore

Noes: None

BRMS Staff

BRMS representative Sidney Dominico introduced Jane Phong, who is the new account representative for the FDAC EBA. The prior representative, Renee Labrie, is no longer with BRMS.

Consultant Reports

Thoits informed the Board that they met with the San Diego Chiefs, facilitated by Director Moore. They believe there is great growth potential for Southern California.

David Turner informed the Board that current renewal trends are running 10% increase for medical and 7% increase for pharmaceutical. If the EBA's claims with Health Net are "normal", they should run similar to this trend; however, claim data will not be available for another few months.

Next Meeting

The next meeting will be set when the BRMS renewal contract is ready for the Board's approval.

The meeting was adjourned at 9:41 a.m.

Respectfully submitted,

Melissa Dixon
Administrator

FDAC EBA
Balance Sheet
 As of May 31, 2012

	May 31, 12
ASSETS	
Current Assets	
Checking/Savings	
Margin Fund- MI3698	624,294.10
Medical Reserve (BRMS held)	80,632.13
Money Market Account- MI3500	8,737.80
US Bank Business Checking	84,000.37
Total Checking/Savings	797,664.40
Accounts Receivable	
1200 - Accounts Receivable	9,176.10
Total Accounts Receivable	9,176.10
Other Current Assets	
Pre Paid Expense	5,050.00
1499 - Undeposited Funds	0.01
Total Other Current Assets	5,050.01
Total Current Assets	811,890.51
TOTAL ASSETS	811,890.51
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	41,798.88
Total Accounts Payable	41,798.88
Other Current Liabilities	
2200 - Preliminary Reports Recon	24,021.56
Total Other Current Liabilities	24,021.56
Total Current Liabilities	65,820.44
Total Liabilities	65,820.44
Equity	
Reserves & Contingencies	50,000.00
1110 - Retained Earnings	445,577.64
Net Income	250,492.43
Total Equity	746,070.07

FDAC EBA
Budget vs. Actual
July 2011 through May 2012

	<u>Jul '11 - May 12</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4000 · INCOME				
4100 · Interest	40.01	300.00	-259.99	13.34%
4300 · Premium Earnings	6,933,583.36	9,651,849.81	-2,718,266.45	71.84%
Total 4000 · INCOME	<u>6,933,623.37</u>	<u>9,652,149.81</u>	<u>-2,718,526.44</u>	<u>71.84%</u>
Total Income	6,933,623.37	9,652,149.81	-2,718,526.44	71.84%
Expense				
6000 · EXPENSE				
6010 · Administration				
6014 · Administration Contract	55,000.00	60,000.00	-5,000.00	91.67%
6016 · Third Party Administrator	97,425.00	96,518.50	906.50	100.94%
6018 · FDAC Subsidiary Fee	20,000.00	20,000.00	0.00	100.0%
Total 6010 · Administration	<u>172,425.00</u>	<u>176,518.50</u>	<u>-4,093.50</u>	<u>97.68%</u>
6040 · Bank Service Charges	0.00	100.00	-100.00	0.0%
6100 · Board Meetings	1,375.30	1,725.00	-349.70	79.73%
6150 · Broker	256,437.72	347,466.59	-91,028.87	73.8%
6200 · Carrier Payments	6,196,350.20	9,065,744.20	-2,869,394.00	68.35%
6300 · Insurance				
6320 · E & O Insurance	1,178.50	1,200.00	-21.50	98.21%
Total 6300 · Insurance	<u>1,178.50</u>	<u>1,200.00</u>	<u>-21.50</u>	<u>98.21%</u>
6400 · Miscellaneous	183.40			
6650 · Office Supplies				
6660 · Marketing	60.35			
6650 · Office Supplies - Other	0.00	300.00	-300.00	0.0%
Total 6650 · Office Supplies	<u>60.35</u>	<u>300.00</u>	<u>-239.65</u>	<u>20.12%</u>
6700 · Operating Expenses				
6710 · Postage and Delivery	75.97	200.00	-124.03	37.99%
6715 · Printing and Reproduction	75.70	50.00	25.70	151.4%
6720 · Staff Travel	0.00	1,000.00	-1,000.00	0.0%
6725 · State Filing	0.00	10.00	-10.00	0.0%
6730 · Telephone	542.82	825.00	-282.18	65.8%
6735 · Storage	60.94	100.00	-39.06	60.94%
6740 · Operating Expense Other	92.04			
Total 6700 · Operating Expenses	<u>847.47</u>	<u>2,185.00</u>	<u>-1,337.53</u>	<u>38.79%</u>
6800 · Professional Fees				
6801 · Accounting	4,100.00	10,000.00	-5,900.00	41.0%
6804 · Consulting/Actuary	33,000.00	36,000.00	-3,000.00	91.67%
6807 · Legal Fees	17,173.00	10,000.00	7,173.00	171.73%
Total 6800 · Professional Fees	<u>54,273.00</u>	<u>56,000.00</u>	<u>-1,727.00</u>	<u>96.92%</u>
6850 · Training/Communication	0.00	500.00	-500.00	0.0%
Total 6000 · EXPENSE	<u>6,683,130.94</u>	<u>9,651,739.29</u>	<u>-2,968,608.35</u>	<u>69.24%</u>

FDAC EBA
Budget vs. Actual
July 2011 through May 2012

	<u>Jul '11 - May 12</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Total Expense	<u>6,683,130.94</u>	<u>9,651,739.29</u>	<u>-2,968,608.35</u>	<u>69.24%</u>
Net Ordinary Income	<u>250,492.43</u>	<u>410.52</u>	<u>250,081.91</u>	<u>61,018.33%</u>
Net Income	<u><u>250,492.43</u></u>	<u><u>410.52</u></u>	<u><u>250,081.91</u></u>	<u><u>61,018.33%</u></u>

FDAC EBA
Profit & Loss Detail
July 2011 through May 2012

Ordinary Income/Expense	Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Income									
4000 - INCOME									
4100 - Interest									
	Deposit	07/31/2011			Interest		Margin Fund- MI3698	3.18	3.18
	Deposit	07/31/2011			Interest		Money Market Account- MI3500	0.03	3.21
	Deposit	07/31/2011			Interest		Margin Fund- MI3698	3.29	6.50
	Deposit	08/31/2011			Interest		Money Market Account- MI3500	0.03	6.53
	Deposit	08/31/2011			Interest		Margin Fund- MI3698	3.05	9.58
	Deposit	09/30/2011			Interest		Margin Fund- MI3698	2.76	12.34
	Deposit	09/30/2011			Interest		Money Market Account- MI3500	0.03	12.37
	Deposit	10/31/2011			Interest		Margin Fund- MI3698	2.85	15.22
	Deposit	10/31/2011			Interest		Money Market Account- MI3500	0.03	15.25
	Deposit	11/30/2011			Interest		Money Market Account- MI3500	0.03	15.28
	Deposit	11/30/2011			Interest		Margin Fund- MI3698	2.40	17.68
	Deposit	12/31/2011			Interest		Margin Fund- MI3698	2.39	20.07
	Deposit	12/31/2011			Interest		Money Market Account- MI3500	0.03	20.10
	Deposit	01/31/2012			Interest		Margin Fund- MI3698	2.13	22.23
	Deposit	01/31/2012			Interest		Money Market Account- MI3500	0.03	22.26
	Deposit	02/29/2012			Interest		Margin Fund- MI3698	3.53	25.79
	Deposit	02/29/2012			Interest		Money Market Account- MI3500	0.03	25.82
	Deposit	03/31/2012			Interest		Money Market Account- MI3500	0.03	25.85
	Deposit	03/31/2012			Interest		Margin Fund- MI3698	3.85	29.70
	Deposit	04/23/2012			Interest		Money Market Account- MI3500	0.03	29.73
	Deposit	04/30/2012			Interest		Money Market Account- MI3500	0.03	29.76
	Deposit	04/30/2012			Interest		Margin Fund- MI3698	4.97	34.73
	Deposit	05/31/2012			Interest		Margin Fund- MI3698	5.28	40.01
Total 4100 - Interest								40.01	40.01
4300 - Premium Earnings									
	General Journal	07/25/2011	1011-056		BRMS Preliminary Report 7-1-11.		2200 - Preliminary Reports Recon	634,346.63	634,346.63
	General Journal	08/31/2011	1011-059		Preliminary Reconciliation Report 8-1-11.		2200 - Preliminary Reports Recon	639,843.67	1,274,190.30
	General Journal	09/24/2011	1011-062		BRMS Preliminary Report 9-1-11.		2200 - Preliminary Reports Recon	645,439.33	1,919,629.63
	General Journal	10/31/2011	1011-065		BRMS Preliminary Report 10-1-11.		2200 - Preliminary Reports Recon	635,118.98	2,554,748.61
	General Journal	11/30/2011	1011-075		BRMS Preliminary Reports Recon 11-1-11.		2200 - Preliminary Reports Recon	642,405.90	3,197,154.51
	General Journal	12/28/2011	1011-078		BRMS Preliminary Reconciliation Report 12-1-11.		2200 - Preliminary Reports Recon	577,727.70	3,774,882.21
	General Journal	01/27/2012	1011-082		BRMS Preliminary Report 1-1-12.		2200 - Preliminary Reports Recon	609,503.97	4,384,386.18
	General Journal	02/29/2012	1011-085		BRMS Preliminary Report 2-1-12.		2200 - Preliminary Reports Recon	641,687.12	5,026,073.30
	General Journal	03/28/2012	1011-088		BRMS Preliminary Report 3-1-12.		2200 - Preliminary Reports Recon	632,824.63	5,658,897.93
	General Journal	04/30/2012	1011-091		BRMS Preliminary Report 4-1-12.		2200 - Preliminary Reports Recon	640,420.80	6,299,318.73
	General Journal	05/31/2012	1011-094		BRMS Preliminary Report 5-1-12.		2200 - Preliminary Reports Recon	634,264.63	6,933,583.36
Total 4300 - Premium Earnings								6,933,583.36	6,933,583.36
Total 4000 - INCOME								6,933,623.37	6,933,623.37
Total Income								6,933,623.37	6,933,623.37
Expense									
6000 - EXPENSE									
6010 - Administration									
6014 - Administration Contract									
	Bill	07/15/2011	895	Smith Moore & Associates	Administrative Services - 2011, August		2000 - Accounts Payable	5,000.00	5,000.00
	Bill	08/31/2011	927	Smith Moore & Associates	Admin Services - 2011, September		2000 - Accounts Payable	5,000.00	10,000.00
	Bill	09/24/2011	966	Smith Moore & Associates	Admin Services - 2011, October		2000 - Accounts Payable	5,000.00	15,000.00
	Check	10/12/2011	1384	Smith Moore & Associates	VOID: Lost Check Found misfiled		US Bank Business Checking		15,000.00
	Bill	10/31/2011	1003	Smith Moore & Associates	Admin Services - 2011, November		2000 - Accounts Payable	5,000.00	20,000.00
	Bill	11/21/2011	1045	Smith Moore & Associates	Admin Services - 2011, December		2000 - Accounts Payable	5,000.00	25,000.00
	Bill	12/28/2011	1083	Smith Moore & Associates	Administrative Services - 2012, January		2000 - Accounts Payable	5,000.00	30,000.00
	Bill	01/27/2012	1122	Smith Moore & Associates	Administrative Services - 2012, February		2000 - Accounts Payable	5,000.00	35,000.00
	Bill	02/29/2012	1161	Smith Moore & Associates	Administrative Services - 2012, March		2000 - Accounts Payable	5,000.00	40,000.00
	Bill	03/28/2012	1199	Smith Moore & Associates	Administrative Services - 2012, April		2000 - Accounts Payable	5,000.00	45,000.00
	Bill	04/30/2012	1240	Smith Moore & Associates	Administrative Services - 2012, May		2000 - Accounts Payable	5,000.00	50,000.00
	Bill	05/05/2012	1278	Smith Moore & Associates	Administrative Services		2000 - Accounts Payable	5,000.00	55,000.00
Total 6014 - Administration Contract								55,000.00	55,000.00

FDAC EBA
Profit & Loss Detail
July 2011 through May 2012

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
6016 - Third Party Administrator								
Bill	07/25/2011	127G103114	Benefit & Risk Managment Services	2011, July		2000 - Accounts Payable	8,363.50	8,363.50
Bill	08/31/2011	128G103115	Benefit & Risk Management Services	2011, August		2000 - Accounts Payable	8,338.00	16,701.50
Bill	09/24/2011	129G103114	Benefit & Risk Management Services	2011, September		2000 - Accounts Payable	8,240.00	24,941.50
Bill	10/31/2011	130G103113	Benefit & Risk Managment Services	2011, October		2000 - Accounts Payable	8,251.50	33,193.00
Bill	11/30/2011	132G103116	Benefit & Risk Management Services	2011, November		2000 - Accounts Payable	8,248.00	41,441.00
Bill	12/28/2011	132G103121	Benefit & Risk Management Services	2011, December		2000 - Accounts Payable	8,154.50	49,595.50
Bill	01/27/2012	133g103404	Benefit & Risk Management Services	2012 Annual Renewal Fee		2000 - Accounts Payable	8,500.00	58,095.50
Bill	01/27/2012	133g103403	Benefit & Risk Managment Services	Monthly Admin Fee - 2012, January		2000 - Accounts Payable	7,689.00	65,784.50
Bill	02/29/2012	134G103403	Benefit & Risk Management Services	Monthly Admin Fee - 2012, February		2000 - Accounts Payable	7,852.50	73,637.00
Bill	03/28/2012	135-101993R	Benefit & Risk Management Services	Monthly Admin Fee - 2012, March		2000 - Accounts Payable	7,902.00	81,539.00
Bill	04/30/2012	136G103404	Benefit & Risk Management Services	Admin Fee - April 2012		2000 - Accounts Payable	7,935.50	89,474.50
Bill	05/01/2012	137G103403	Benefit & Risk Management Services	Admin fee May 2012		2000 - Accounts Payable	7,950.50	97,425.00
Total 6016 - Third Party Administrator							97,425.00	97,425.00
6018 - FDAC Subsidiary Fee								
Bill	12/05/2011	188	FDAC - v	FDAC 2012 Annual Sponsorship		2000 - Accounts Payable	20,000.00	20,000.00
Total 6018 - FDAC Subsidiary Fee							20,000.00	20,000.00
Total 6010 - Administration							172,425.00	172,425.00
6100 - Board Meetings								
General Journal	07/01/2011	1011-049R		Moving J Moore Prepaid Board Expense for 2012 to prepaid:Pre Paid Expense			312.40	312.40
Bill	08/31/2011	947	Smith Moore & Associates	Simple Toll Free 7-11		2000 - Accounts Payable	11.95	324.35
Bill	08/31/2011	INUS110702310	tbq Conferencing	Conference Calling for Board Meetings - 7-11		2000 - Accounts Payable	10.65	335.00
Bill	09/24/2011	INUS110802366	tbq Conferencing	Conference Calling for Board Meetings - 8-11		2000 - Accounts Payable	9.23	344.23
Bill	10/12/2011	982	Smith Moore & Associates	Safeway/Boardmeeting Refreshments		2000 - Accounts Payable	33.80	378.03
Bill	11/08/2011	11-7-11	Sonoma Valley Fire	Cleaning Fee for November Meeting		2000 - Accounts Payable	20.00	398.03
Bill	12/28/2011	1101	Smith Moore & Associates	Planning Session - Dixon		2000 - Accounts Payable	28.35	426.38
Bill	12/28/2011	1101	Smith Moore & Associates	Sonoma Valley Inn - Dixon		2000 - Accounts Payable	695.84	1,122.22
Bill	12/28/2011	1101	Smith Moore & Associates	EBA Mtg Travel - Dixon 11/30/11		2000 - Accounts Payable	108.78	1,231.00
Bill	01/27/2012	1-17-12	Randy Casto	Board Meeting Travel Reimbursement		2000 - Accounts Payable	144.30	1,375.30
Total 6100 - Board Meetings							1,375.30	1,375.30
6150 - Broker								
Bill	07/25/2011	7-1-11	Thoits Insurance	7/1/2011 Preliminary Report		2000 - Accounts Payable	23,181.01	23,181.01
Bill	08/31/2011	8-1-2011	Thoits Insurance	8/1/2011 Preliminary Report		2000 - Accounts Payable	23,278.78	46,459.79
Bill	09/24/2011	9-1-11	Thoits Insurance	8/1/2011 Preliminary Report		2000 - Accounts Payable	23,373.65	69,833.44
Bill	10/31/2011	10-1-11	Thoits Insurance	10/1/2011 Preliminary Report		2000 - Accounts Payable	23,482.02	93,315.46
Bill	11/30/2011	11-1-11	Thoits Insurance	11/1/2011 Preliminary Report		2000 - Accounts Payable	23,564.00	116,879.46
Bill	12/28/2011	12-1-11	Thoits Insurance	12/1/2011 Preliminary Report		2000 - Accounts Payable	21,460.45	138,339.91
Bill	01/27/2012	1-1-12	Thoits Insurance	Preliminary Report - 1-1-12		2000 - Accounts Payable	22,561.11	160,901.02
Bill	02/29/2012	2-1-12	Thoits Insurance	Preliminary Report - 2-1-12		2000 - Accounts Payable	23,767.02	184,668.04
Bill	03/28/2012	3-1-12	Thoits Insurance	Preliminary Report - 3-1-12		2000 - Accounts Payable	23,865.39	208,533.43
Bill	04/30/2012	4-1-12	Thoits Insurance	Preliminary Reports Recon Report 4-1-12		2000 - Accounts Payable	24,110.29	232,643.72
Bill	05/01/2012	Funds Rep. 5/1/12	Thoits Insurance	Preliminary Fund Reconciliation Report 4/27/12		2000 - Accounts Payable	23,794.00	256,437.72
Total 6150 - Broker							256,437.72	256,437.72
6200 - Carrier Payments								
General Journal	07/25/2011	1011-057		BRMS Preliminary Report 7-1-11.		2200 - Preliminary Reports Recon	597,564.48	597,564.48
General Journal	08/31/2011	1011-060		Preliminary Reconciliation Report 8-1-11.		2200 - Preliminary Reports Recon	603,587.38	1,201,151.86
General Journal	09/24/2011	1011-063		BRMS Preliminary Report 9-1-11.		2200 - Preliminary Reports Recon	608,944.18	1,810,096.04
General Journal	10/31/2011	1011-066		BRMS Preliminary Report 10-1-11.		2200 - Preliminary Reports Recon	598,351.34	2,408,447.38
Deposit	11/04/2011		BRMS	30% Credit From Blue Sheild - Oct 2011 Premium		Margin Fund- MI3698	-138,180.75	2,270,266.63
General Journal	11/30/2011	1011-076		BRMS Preliminary Reports Recon 11-1-11.		2200 - Preliminary Reports Recon	605,640.39	2,875,907.02
General Journal	12/28/2011	1011-079		BRMS Preliminary Reconciliation Report 12-1-11.		2200 - Preliminary Reports Recon	545,694.30	3,421,601.32
General Journal	01/01/2012	1011-081R		Reverse of GJE 1011-081 -- Re-class Prepaid Premium Bind Pre Paid Expense			180,000.00	3,601,601.32
General Journal	01/27/2012	1011-083		BRMS Preliminary Report 1-1-12.		2200 - Preliminary Reports Recon	576,029.98	4,177,631.30
Deposit	02/03/2012	WIRE	BRMS	30% Credit From Blue Sheild - Dec 2011 Premium		Margin Fund- MI3698	-218,907.56	3,958,723.74
General Journal	02/29/2012	1011-086		BRMS Preliminary Report 2-1-12.		2200 - Preliminary Reports Recon	606,497.32	4,565,221.06
General Journal	03/28/2012	1011-089		BRMS Preliminary Report 3-1-12.		2200 - Preliminary Reports Recon	597,116.41	5,162,337.47
Deposit	04/04/2012	Wire		Blue Shield Credit		Margin Fund- MI3698	-168,825.93	4,993,511.54
General Journal	04/30/2012	1011-092		BRMS Preliminary Report 4-1-12.		2200 - Preliminary Reports Recon	604,225.36	5,597,736.90

FDAC EBA
Profit & Loss Detail
July 2011 through May 2012

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
General Journal	05/31/2012	1011-095		BRMS Preliminary Report 5-1-12.		2200 - Preliminary Reports Recon	598,613.30	6,196,350.20
Total 6200 - Carrier Payments							6,196,350.20	6,196,350.20
6300 - Insurance								
6320 - E & O Insurance								
Bill	10/12/2011	10195	Alliant Insurance Services, Inc.	G/L- Municipalities Policy - 9/29/11 - 9/29/12		2000 - Accounts Payable	1,178.50	1,178.50
Total 6320 - E & O Insurance							1,178.50	1,178.50
Total 6300 - Insurance							1,178.50	1,178.50
6400 - Miscellaneous								
Bill	03/29/2012	1252924	SmartSource	Retirement Gift for Mike McMurphy (split 50/50 with FDAC)		2000 - Accounts Payable	183.40	183.40
Total 6400 - Miscellaneous							183.40	183.40
6650 - Office Supplies								
6660 - Marketing								
Bill	08/31/2011	947	Smith Moore & Associates	Dixon, M. - Travel to El Dorado Hills		2000 - Accounts Payable	44.40	44.40
Bill	10/31/2011	1022	Smith Moore & Associates	Register4Less		2000 - Accounts Payable	15.95	60.35
Total 6660 - Marketing							60.35	60.35
Total 6650 - Office Supplies							60.35	60.35
6700 - Operating Expenses								
6710 - Postage and Delivery								
Bill	07/15/2011	830	Smith Moore & Associates	Fedex 3-4/10		2000 - Accounts Payable	12.72	12.72
Bill	07/15/2011	830	Smith Moore & Associates	Postage Meter 4/11		2000 - Accounts Payable	3.69	16.41
Bill	07/27/2011	912	Smith Moore & Associates	Fedex 5-6/11		2000 - Accounts Payable	15.26	31.67
Bill	10/12/2011	982	Smith Moore & Associates	Postage Meter 8/11		2000 - Accounts Payable	24.64	56.31
Bill	10/31/2011	1022	Smith Moore & Associates	Postage Meter 9/11		2000 - Accounts Payable	2.20	58.51
Bill	11/30/2011	1063	Smith Moore & Associates	Postage Meter 10/11		2000 - Accounts Payable	1.32	59.83
Bill	12/28/2011	1101	Smith Moore & Associates	Postage Meter 11/11		2000 - Accounts Payable	3.71	63.54
Bill	02/07/2012	1142	Smith Moore & Associates	Postage Meter 12/11		2000 - Accounts Payable	2.64	66.18
Bill	03/08/2012	1179	Smith Moore & Associates	Postage Meter 1/12		2000 - Accounts Payable	2.70	68.88
Bill	03/28/2012	1217	Smith Moore & Associates	Postage Meter - 2/12		2000 - Accounts Payable	4.84	73.72
Bill	05/24/2012	1259	Smith Moore & Associates	Record 3/2012 Postage Meter		2000 - Accounts Payable	2.25	75.97
Total 6710 - Postage and Delivery							75.97	75.97
6715 - Printing and Reproduction								
Bill	07/15/2011	830	Smith Moore & Associates	Photocopies 4/11		2000 - Accounts Payable	0.88	0.88
Bill	07/27/2011	912	Smith Moore & Associates	Photocopies 6/11		2000 - Accounts Payable	2.62	3.50
Bill	08/31/2011	947	Smith Moore & Associates	Photocopies 7-11		2000 - Accounts Payable	1.42	4.92
Bill	10/12/2011	982	Smith Moore & Associates	Photocopies 8/11		2000 - Accounts Payable	22.34	27.26
Bill	10/31/2011	1022	Smith Moore & Associates	Photocopies 9/11		2000 - Accounts Payable	0.92	28.18
Bill	11/30/2011	1063	Smith Moore & Associates	Photocopies 10/11		2000 - Accounts Payable	1.34	29.52
Bill	12/28/2011	1101	Smith Moore & Associates	Photocopies 11/11		2000 - Accounts Payable	23.92	53.44
Bill	02/07/2012	1142	Smith Moore & Associates	Photocopies 12/11		2000 - Accounts Payable	18.32	71.76
Bill	03/08/2012	1179	Smith Moore & Associates	Photocopies 1/12		2000 - Accounts Payable	0.94	72.70
Bill	03/28/2012	1217	Smith Moore & Associates	Photocopies - 2/12		2000 - Accounts Payable	1.08	73.78
Bill	05/24/2012	1259	Smith Moore & Associates	Record 3/2012 Photocopies		2000 - Accounts Payable	1.92	75.70
Total 6715 - Printing and Reproduction							75.70	75.70
6730 - Telephone								
Bill	07/27/2011	912	Smith Moore & Associates	Integra 6/11		2000 - Accounts Payable	48.92	48.92
Bill	11/30/2011	1063	Smith Moore & Associates	Integra June 2011		2000 - Accounts Payable	52.49	101.41
Bill	11/30/2011	1063	Smith Moore & Associates	Integra July 2011		2000 - Accounts Payable	56.59	158.00
Bill	11/30/2011	1063	Smith Moore & Associates	Integra Aug 2011		2000 - Accounts Payable	63.06	221.06
Bill	11/30/2011	1063	Smith Moore & Associates	Integra Sept 2011		2000 - Accounts Payable	55.17	276.23
Bill	02/07/2012	1142	Smith Moore & Associates	Integra 11/11		2000 - Accounts Payable	56.16	332.39
Bill	02/07/2012	1142	Smith Moore & Associates	Integra 12/11		2000 - Accounts Payable	53.30	385.69
Bill	03/08/2012	1179	Smith Moore & Associates	Integra 1/12		2000 - Accounts Payable	52.03	437.72
Bill	03/28/2012	1217	Smith Moore & Associates	Integra 1/12		2000 - Accounts Payable	54.00	491.72
Bill	05/24/2012	1259	Smith Moore & Associates	Integra Tele 3/3/12		2000 - Accounts Payable	51.10	542.82
Total 6730 - Telephone							542.82	542.82

**FDAC EBA
Profit & Loss Detail
July 2011 through May 2012**

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
6735 - Storage								
Bill	07/27/2011	912	Smith Moore & Associates	PacStorage 6/11		2000 - Accounts Payable	6.62	6.62
Bill	10/12/2011	982	Smith Moore & Associates	PacStorage 7/11		2000 - Accounts Payable	6.52	13.14
Bill	10/12/2011	982	Smith Moore & Associates	PacStorage 8/11		2000 - Accounts Payable	6.52	19.66
Bill	11/30/2011	1063	Smith Moore & Associates	PacStorage 9/11		2000 - Accounts Payable	12.43	32.09
Bill	12/28/2011	1101	Smith Moore & Associates	PacStorage 10/11		2000 - Accounts Payable	6.97	39.06
Bill	03/08/2012	1179	Smith Moore & Associates	Pac Storage 12/11		2000 - Accounts Payable	6.87	45.93
Bill	03/08/2012	1179	Smith Moore & Associates	Pac Storage 1/12		2000 - Accounts Payable	7.14	53.07
Bill	05/24/2012	1259	Smith Moore & Associates	PacStorage 2/2012		2000 - Accounts Payable	7.87	60.94
Total 6735 - Storage							60.94	60.94
6740 - Operating Expense Other								
Bill	02/07/2012	1142	Smith Moore & Associates	IStock Website Photos		2000 - Accounts Payable	39.50	39.50
Bill	03/08/2012	1179	Smith Moore & Associates	Webfaction 1/12		2000 - Accounts Payable	45.00	84.50
Bill	05/24/2012	1259	Smith Moore & Associates	Office Max Supplies		2000 - Accounts Payable	7.54	92.04
Total 6740 - Operating Expense Other							92.04	92.04
Total 6700 - Operating Expenses							847.47	847.47
6800 - Professional Fees								
6801 - Accounting								
Bill	08/31/2011	2011071156	Boden Klein & Sneesby	For professional services rendered as follows: Preparation of		2000 - Accounts Payable	7,750.00	7,750.00
General Journal	08/31/2011	1011-074R	Boden Klein & Sneesby	Boden Klein & Sneesby invoice 2011071156 for 2009-10 Au		2000 - Accounts Payable	-7,750.00	0.00
Bill	02/07/2012	2011111683	Boden Klein & Sneesby	For professional services rendered as follows: Preparation of		2000 - Accounts Payable	4,100.00	4,100.00
Total 6801 - Accounting							4,100.00	4,100.00
6804 - Consulting/Actuary								
Bill	07/15/2011	1611	Turner Consulting	July Services		2000 - Accounts Payable	3,000.00	3,000.00
Bill	08/31/2011	1629	Turner Consulting	Services for 2011, August.		2000 - Accounts Payable	3,000.00	6,000.00
Bill	09/24/2011	1649	Turner Consulting	Services for 2011, September		2000 - Accounts Payable	3,000.00	9,000.00
Bill	10/12/2011	1669	Turner Consulting	Services for 2011, October		2000 - Accounts Payable	3,000.00	12,000.00
Bill	11/01/2011	1691	Turner Consulting	Services for 2011, November		2000 - Accounts Payable	3,000.00	15,000.00
Bill	12/01/2011	1711	Turner Consulting	Services for 2011, December		2000 - Accounts Payable	3,000.00	18,000.00
Bill	01/31/2012	1731	Turner Consulting	Services for 2012, January		2000 - Accounts Payable	3,000.00	21,000.00
Bill	02/07/2012	1752	Turner Consulting	Services for 2012, February		2000 - Accounts Payable	3,000.00	24,000.00
Bill	03/08/2012	1773	Turner Consulting	Services for 2012, March		2000 - Accounts Payable	3,000.00	27,000.00
Bill	04/30/2012	1795	Turner Consulting	Services for 2012, April		2000 - Accounts Payable	3,000.00	30,000.00
Bill	05/24/2012	1814	Turner Consulting	Consulting Services		2000 - Accounts Payable	3,000.00	33,000.00
Total 6804 - Consulting/Actuary							33,000.00	33,000.00
6807 - Legal Fees								
General Journal	07/01/2011	1011-073R	McMurchie Law	McMurchie Law June 2011 Invoice 2148 paid in July 2011		2000 - Accounts Payable	-1,997.50	-1,997.50
Bill	07/15/2011	2148	McMurchie Law	June Services		2000 - Accounts Payable	1,997.50	0.00
Bill	08/31/2011	2180	McMurchie Law	See invoice for Detail. Services for 2011, July		2000 - Accounts Payable	3,313.50	3,313.50
Bill	08/31/2011	2195	McMurchie Law	See invoice for Detail. Services for 2011, July		2000 - Accounts Payable	728.50	4,042.00
Bill	09/24/2011	2218	McMurchie Law	See invoice for Detail.		2000 - Accounts Payable	23.50	4,065.50
Bill	09/24/2011	2219	McMurchie Law	See invoice for Detail.	√	2000 - Accounts Payable	0.00	4,065.50
Bill	10/12/2011	2249	McMurchie Law	See invoice for Detail.		2000 - Accounts Payable	94.00	4,159.50
Bill	11/21/2011	2282	McMurchie Law	See invoice for Detail.		2000 - Accounts Payable	705.00	4,864.50
Bill	11/21/2011	2283	McMurchie Law	See invoice for Detail.	√	2000 - Accounts Payable	0.00	4,864.50
Bill	12/28/2011	2311	McMurchie Law	See invoice for Detail.		2000 - Accounts Payable	6,697.50	11,562.00
Bill	02/29/2012	2373	McMurchie Law	See invoice for Detail.		2000 - Accounts Payable	2,254.50	13,816.50
Bill	03/28/2012	2411	McMurchie Law	See invoice for Detail.		2000 - Accounts Payable	147.00	13,963.50
Bill	04/30/2012	2440	McMurchie Law	Legal Services - 2012, March		2000 - Accounts Payable	1,519.00	15,482.50
Bill	05/08/2012	2464	McMurchie Law	McMurchie Law Firm Services		2000 - Accounts Payable	1,690.50	17,173.00
Total 6807 - Legal Fees							17,173.00	17,173.00
Total 6800 - Professional Fees							54,273.00	54,273.00
Total 6000 - EXPENSE							6,683,130.94	6,683,130.94
Total Expense							6,683,130.94	6,683,130.94

FDAC EBA
Profit & Loss Detail
July 2011 through May 2012

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Net Ordinary Income							250,492.43	250,492.43
Net Income							<u>250,492.43</u>	<u>250,492.43</u>

Fire Districts Association of California

* Carriers cannot be paid until every group has paid

Month: **May 2012**

Clients	Grp	Date Rec'd	Amount Paid	Ck #	Amount Billed	Difference	Comments	* Date check mailed	Due Date		CM
									5/15/12		
FDAC EBA		6/8/12	\$7,950.50	1447	\$7,950.50	\$0.00	dept. EBA premium	06/08/12	late		
Alpine Fire Protection	10147	4/30/12	\$19,553.12	14799	\$19,553.12	\$0.00		05/23/12		Jane	
Amador FPD	10311	4/25/12	\$11,064.19	11173733	\$11,064.19	\$0.00		05/23/12		Jane	
American Canyon Fire Protection	10163	5/3/12	\$6,669.92	20070	\$6,669.92	\$0.00		5/4/12 SF		Jane	
Arcata Fire	10148	4/30/12	\$2,797.97	15819	\$2,797.97	\$0.00		05/23/12		Jane	
Beckworth Fire District	10271	5/4/12	\$790.03	10094773	\$790.03	\$0.00	County of Plumas-G McAffrey	05/23/12		Jane	
Ben Lomond Fire District	10149	4/25/12	\$136.44	233724	\$136.44	\$0.00	County of Santa Cruz	05/23/12		Jane	
Bennett Valley Fire Protection District	10150	5/8/12	\$45.23	1267587	\$40.15	\$5.08		05/23/12		Jane	
Bodega Bay Fire District	10151	5/4/12	\$16,392.88	1269001	\$16,392.88	\$0.00		05/23/12		Jane	
Boulder Creek Fire District	10152				\$0.00	\$0.00		05/23/12		Jane	Credit on Account (\$2.6)
Branciforte Fire Protection	10153	5/4/12	\$522.51	234827	\$522.51	\$0.00	County of Santa Cruz	05/23/12		Jane	
Burney Fire Protection	10154	4/30/12	\$515.92	2083529	\$515.92	\$0.00	Shasta County	05/23/12		Jane	
Central Calaveras Fire & Rescue	10156	5/23/12	\$4,668.46	1917/1919/341334	\$4,668.46	\$0.00		05/23/12	late	Jane	
Central Fire Protection District	10155	4/26/12	\$2,363.80	233722	\$2,322.68	\$41.12	County of Santa Cruz	05/23/12		Jane	
City of American Canyon	10199	4/25/12	\$26,494.73	57845	\$15,887.96	\$10,606.77		4/27/12 SF		Jane	
Clements Fire Protection	10157	4/25/12	\$1,225.05	2120990	\$1,225.05	\$0.00	County of San Joaquin	05/23/12		Jane	
Cloverdale Fire District	10158	5/15/12	\$4,881.33	1271718	\$4,881.33	\$0.00	County of Sonoma	05/23/12		Jane	
Crest Forest Fire District	10159	4/30/12	\$35,658.79	8940116/8942444	\$35,658.79	\$0.00		05/23/12		Jane	
Deer Springs Fire District	10276	5/7/12	\$1,282.15	5555/3587	\$1,282.15	\$0.00		05/23/12		Jane	
Ebbetts Pass Fire District	10160	5/4/12	\$34,058.31	339903	\$34,058.31	\$0.00	Linda Churches, CPA	05/23/12		Jane	
Felton Fire Department	10162	4/25/12	\$502.60	233723	\$502.60	\$0.00	County of Santa Cruz	05/23/12		Jane	
Fortuna Fire Department	10309	5/21/12	\$13.40	1112	\$13.40	\$0.00	County of Santa Cruz	05/23/12	late	Jane	
Georgetown Fire Protection District	10195	4/27/12	\$12,970.61	1200703	\$12,970.61	\$0.00	County of El Dorado	05/23/12		Jane	
Gold Ridge Fire Protection	10164	5/15/12	\$1,056.34	1270400	\$1,056.34	\$0.00	County of Sonoma	05/23/12		Jane	
Happy Valley Fire Protection	10201	4/23/12	\$632.46	2082709	\$632.46	\$0.00	Shasta County	05/23/12		Jane	
Higgins Fire Protection District	10165	5/10/12	\$16,697.38	wire	\$15,916.90	\$780.48	Nevada County	05/23/12		Jane	
Kelseyville Fire Protection	10166	5/15/12	\$3,263.47	12146	\$3,263.47	\$0.00		05/23/12		Jane	
Lake County Fire Protection	10167	5/2/12	\$29,928.47	12799	\$29,928.47	\$0.00		05/23/12		Jane	
Lakeside	10280	4/30/12	\$3,592.91	14229	\$3,592.91	\$0.00		05/23/12		Jane	
Mammoth Lakes Fire Protection	10168	5/1/12	\$1,765.13	20661	\$1,765.13	\$0.00		05/23/12		Jane	
Meeks Bay	10205	5/10/12	\$1,286.58	1201607	\$1,286.58	\$0.00	El Dorado County	05/23/12		Jane	
Mokelumne Hill Fire Protection	10169	5/17/12	\$229.02	341236	\$0.00	\$229.02	Linda Churches, CPA	05/23/12	late	Jane	Credit on Account (\$93)
Mokelumne Rural Fire Protection	10170	5/1/12	\$1,627.72	2129200	\$1,627.72	\$0.00	San Joaquin County	05/23/12		Jane	
Nevada Consolidated	10171	6/6/12	\$1,861.74	225179	\$1,861.74	\$0.00		05/23/12	late	Jane	
North Central Fire Protection	10172	5/4/12	\$4,149.74	59705	\$4,149.74	\$0.00		05/23/12		Jane	
North County Fire Protection	10183	5/3/12	\$8,479.15	49257	\$8,479.15	\$0.00		05/23/12		Jane	
North San Juan Fire Protection	10173	6/2012 - 5/3	\$176.43	Wire/9797	\$176.43	\$0.00	Nevada County	05/23/12	late	Jane	
Novato Fire Protection District	10174	4/30/12	\$29,181.72	7400011019	\$29,181.72	\$0.00		05/23/12		Jane	
Penn Valley Fire Protection	10175	4/27/12	\$12,028.87	222724	\$12,028.87	\$0.00	County of Nevada	05/23/12		Jane	
Rescue Fire District	10194	5/2/12	\$15,424.25	1201392	\$17,360.25	(\$1,936.00)	El Dorado County	05/23/12		Jane	Will pay with June paym
Rincon Valley Fire Protection	10176	5/1/12	\$15,668.14	1268848	\$15,668.14	\$0.00	County of Sonoma	05/23/12		Jane	
Ross Valley Fire Department	10177	5/15/12	\$3,791.38	16536	\$3,799.08	(\$7.70)		05/23/12		Jane	
Russian River Fire Protection	10181	5/4/12	\$14,034.81	1269202/1587	\$14,034.81	\$0.00		05/23/12		Jane	
Sacramento River Fire Protection	10231	5/18/12	\$790.03	298364	\$790.03	\$0.00	Issued by County of Colusa	05/23/12	late	Jane	
Scotts Valley Fire District	10184	4/27/12	\$40,674.55	233848	\$40,674.55	\$0.00	County of Santa Cruz	05/23/12		Jane	
Southern Marin Fire Protection District	10185	5/29/12	\$8,106.89	7490006011	\$8,106.89	\$0.00		05/23/12	late	Jane	
Southern Marin Fire - Sausalito	10185	5/1/12	\$3,395.68	133197	\$3,392.80	\$2.88	Sausalito	05/23/12		Jane	
Stanislaus Consolidated Fire Protection	10186	5/3/12	\$63,707.54		\$63,707.54	\$0.00		5/4/12 SF		Jane	
Tiburon Fire Protection District	10187	4/25/12	\$5,727.56	2660	\$5,757.28	(\$29.72)		05/23/12		Jane	
Truckee Fire Protection District	10281	4/30/12	\$1,215.04	24025	\$1,215.04	\$0.00		05/23/12		Jane	
Valley of the Moon	10340	5/1/12	\$63,148.88	7817	\$63,123.88	\$25.00		05/23/12		Jane	
Windsor Fire Protection District	10188	5/3/12	\$19,528.66	1269296	\$19,178.66	\$350.00		05/23/12		Jane	Shortpaid April 2012 Pr
Woodbridge Fire Protection District	10189	5/9/12	\$23,279.64	2132042	\$23,279.64	\$0.00	County of San Joaquin	05/23/12		Jane	

\$585,008.12

\$574,941.19

\$10,066.93

Termed Districts	Termed Date
Salida FPD 10182	40724

Total Groups that Paid Late	8
Total Number of Groups	53
Percentage of Groups that Paid on Time	84.91%

* Carriers cannot be paid until every group has paid

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FDAC EBA BOARD OF DIRECTORS
Meeting of June 21, 2012

AGENDA SUPPORTING DATA

Agenda Item IV. Consultant Contract – BRMS

Administrator Melissa Dixon was asked to coordinate/negotiate the contract renewals for the EBA consultants, as most expire on June 30, 2012. One of the items requested to be addressed in the contract with the third party administrator (TPA) was the issue of unexpected open enrollment fees.

Administrator Dixon worked with Anna Marie White from Thoits and Legal Counsel David McMurchie to draft a new contract for BRMS. McMurchie and Dixon met with BRMS at their office in Folsom to discuss the requested changes in detail.

The final contract, included here and agreed to by all parties thus far involved, increases the per employee per month (PEPM) fee for medical or medical+ancillary to \$8.95 in 2012-13; \$9.25 for 2013-14; \$9.50 for 2014-15. These prices now include any standard open enrollment changes. Our current price is \$8.50, exclusive of open enrollment; industry standard is over \$10.

If a medical carrier or plan change is made by the EBA during open enrollment, a \$5,000 flat fee will apply (\$2500 for ancillary carriers/plans).

A flat fee of \$500 for set-up work will be charged for any new member coming onto the plan.

The consultants feel this new fee structure is fair to all parties, but we welcome comments and input from the Board of Directors.

Master Services Agreement

This Cover Page, including the Summary of Basic Terms below, together with the attached General Terms and Conditions and the Schedules thereto (the "Terms"), set forth the entire agreement of the parties with respect to services be provided by Benefit and Risk Management Services, Inc. ("BRMS") to below-named Authority (this "Agreement").

Summary of Basic Terms

Any capitalized terms not defined in this Cover Page shall have the meaning ascribed to them in the Terms in the attached General Terms and Conditions, unless the context clearly establishes a different meaning.

Authority: Fire District Association of California Employment Benefits Authority (FDAC EBA), a California joint powers authority and its member agencies listed in Exhibit C hereto

Effective Date: Vbas Effective 7/01/12; Term of agreement 7/01/12 through 6/30/15

Covered Plans: Medical, Dental, Vision, Group Life/AD&D, Voluntary Life & EAP

Description of Third Party Administration Services:

- Plan Administration Services
- Vbas Software License
- COBRA Administration Services
- Retiree Administration Services

Compensation: As set forth in the applicable Schedule.

Authority Primary Contact: Administrator: Smith Moore & Associates
Attention: Melissa Dixon, Administrator
Phone: 877-350-4322

NOW, THEREFORE, intending to be bound, the parties have executed this Agreement by and through their authorized representatives as set forth below:

<u>Authority</u>	<u>Benefit & Risk Management Services</u>
Date: _____	Date: _____
By: _____	By: _____
Printed Name: _____	Printed Name: <u>Matthew A. Schafer</u>
Title: _____	Title: <u>Chief Executive Officer</u>
Address: _____ _____	Address: <u>80 Iron Point Circle, Suite 200</u> <u>Folsom, California 95630</u>

GENERAL TERMS AND CONDITIONS

Authority hereby engages Benefit & Risk Management Services, Inc. (“BRMS”) and BRMS hereby accepts such engagement by Authority to perform the Services to be provided under this Agreement. BRMS is hereby authorized to do all things necessary to carry out the terms, purposes and conditions of this Agreement and to perform the Services. In connection with the execution of this Agreement or subsequent thereto, the parties may mutually execute Schedules describing additional or complimentary Services to those described in these Terms. Such Schedules are hereby incorporated into this Agreement and made part of this Agreement as though fully set forth herein.

These Terms and Conditions (these “Terms”) are made as of the Effective Date by and between BRMS and the Authority indicated on the attached Summary of Basic Terms in the Cover Page (the “Summary”). Any capitalized terms not defined in these Terms shall have the meaning ascribed to them in the Summary.

1. Definitions. In addition to the terms defined elsewhere in this Agreement, the capitalized terms in this Section will have the meanings ascribed to them below.

1.1 “Administrator” means the person, corporation or organization, including, Authority, appointed from time to time by Authority, who is responsible for the day-to-day functions and management of the Plan. The Administrator is Authority, or third party appointed by Authority unless BRMS has expressly undertaken the role of Administrator as part of the Services.

1.2 “Claim” means a request by a Covered Person to receive benefits under the Plan.

1.3 “Claimant” means an individual who makes a Claim.

1.4 “COBRA” means the Consolidated Omnibus Budget Reduction Act of 1985 and any amendments thereto.

1.5 “Continuation Coverage” means the continued group health care coverage required by COBRA as to member agencies of Authority employing greater than a designated number of persons.

1.6 “Contributions” means the periodic payments made by Employees or member agencies of Authority on their behalf for coverage according to the terms of the Plan (excepting co-pays made at the time medical service is provided).

1.7 “Covered Person” means any employee or dependent entitled to benefits under the terms of the Plan.

1.8 “Effective Date” means the effective date of this Agreement as set forth in the Summary.

1.9 “Employees” means all employees and eligible retirees of member agencies of the Authority, and their dependents, as defined under the terms of the Plan. Member agencies of the Authority are listed in Exhibit C hereto.

1.10 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated there under.

1.11 “Reserve Account” means the account into which all Contributions are deposited by BRMS as the agent of Authority for collection of all Contributions required under the Plan.

1.12 “Funds” means any and all assets and earnings of the Plan.

1.13 “HIPAA” means the federal Health Insurance Portability and Accountability Act of 1996 and any amendments thereto.

1.14 “Plan(s)” means any of the health, life, dental and/or vision insurance benefit programs provided by Authority and listed on the Summary, as they may be amended or modified in writing from time to time.

1.15 “Premium Trust Account” means the account into which Contributions are deposited in a sufficient amount to pay all insurance premiums payable under the terms of the Plan when due.

1.16 “Qualified Beneficiaries” means any individual who, one (1) day before the occurrence of a Qualifying Event (as defined below) is covered under the Plan in one of the following capacities: (i) Spouse of the covered Employee; (ii) dependent child of the covered Employee; (iii) retired Employee; or (iv) self-employed individual, independent contractor or corporate director.

1.17 “Qualifying Event” means a loss or reduction of group health plan coverage due to: (i) death of an Employee; (ii) voluntary or involuntary termination of employment of an Employee (other than for gross misconduct); (iii) divorce of an Employee; (iv) reduction in the hours of an Employee; (v) entitlement of an Employee to Medicare coverage; (vi) dependent child ceasing to be dependent child under the terms and conditions of the Plan; or (vii) filing of a Chapter 11 bankruptcy petition by Authority or a member agency of Authority (or such other events listed in Section 4980B of the Code).

1.18 “Schedule” means an addendum, exhibit or other attachment to this Agreement which references this Agreement and describes particular Services to be provided by BRMS to Authority.

1.19 “Services” means the services to be provided by BRMS to or on behalf of Authority as described in this Agreement, including the Schedules hereto.

2. Plan Administration Services. With respect to the administration of the Plan, BRMS shall have the following responsibilities:

2.1 Documents and Forms. BRMS shall design, prepare and cause to be printed and supplied to Authority and its member agencies the documents and forms which are necessary for the administration of the Plan. Any expense incurred in the printing of such documents and forms (including plan booklets and summary plan descriptions) shall be an expense of the Plan.

2.2 File Maintenance. Utilizing information provided by Authority and its member agencies, BRMS shall establish and maintain (i) eligibility files and (ii) records of all participating Employees and their dependents (including retirees, COBRA participants and the student status of dependents if such services are elected by Authority) in accordance with the Plan.

2.3 Eligibility Processing. With respect to eligibility for participation in the Plan, BRMS shall have the following responsibilities:

(a) BRMS shall maintain Employee eligibility by groups, defined as all eligible Employees of each member agency of Authority, using a separate location status identifier for each such group. Each such group shall be provided to BRMS by Authority.

(b) BRMS shall follow any guidelines or limitations of the Plan, provided such guidelines or limitations have been provided to BRMS by Authority. Examples of such guidelines and limitations are: eligibility of retirees, domestic partners, overage dependent limits, waiting periods, coverage effective dates, age banded rates, tier structure and rate change guidelines.

(c) BRMS shall furnish the eligibility and payment information to Authority for auditing purposes upon the request of Authority.

2.4 Government Reports. Upon request, BRMS will provide to Authority data regarding disbursements for administrative charges and other expenses of the Plan necessary for Authority’s preparation of reports, tax returns, statements or other documents required to be filed by Authority with any local political subdivision, state government or federal government, including, all reports required to be filed pursuant to ERISA. However, Authority shall be solely responsible for the preparation and filing of any annual reports required by ERISA (including on IRS Form 5500) and BRMS shall not be responsible for the preparation and filing of such annual reports, unless BRMS specifically assumes such responsibility in a written agreement.

2.5 Reserve Account. As agent of Authority, BRMS will collect all Contributions payable by Employees and member agencies of Authority for coverage according to the terms of the Plan on a monthly basis and

deposit such Contributions into the Reserve Account, to be held and applied on the express terms set forth herein. BRMS hereby agrees to serve as agent on behalf of the Authority with respect to such account upon the terms and conditions set forth in this Section. It is agreed that the Reserve Account shall be held for the account and benefit of the Authority. On a monthly basis, BRMS shall deposit into the Reserve Account all Contributions received in any month, to be held in such account by BRMS on the express terms and conditions set forth herein.

(a) BRMS is hereby expressly authorized to act as agent of the Authority in making deposits into and withdrawals from said account upon the approval of the Authority. In order to avoid insufficient Contributions to pay all premiums when due the Authority has deposited into the Reserve Account a minimum balance of \$120,000.00, (the "Minimum Balance"). The Authority may deposit funds into the account from time to time to maintain such required Minimum Balance. If at any time amounts on deposit in the Reserve Account together with the Minimum Balance are insufficient to pay all premiums when due, then BRMS shall immediately notify the Authority of such insufficiency and Authority shall deposit sufficient funds into the Reserve Account in order to maintain the Minimum Balance.

(b) BRMS, as agent of the Authority, will use due diligence to collect all Contributions due from Employees and/or member agencies of the Authority for coverage afforded under the Plan and shall promptly notify the Authority of any unpaid Contributions on a monthly basis.

(c) BRMS shall take the following actions with respect to the Reserve Account:

(i) On a monthly basis BRMS shall withdraw funds from the Reserve Account and deposit such funds into the Premium Trust Account in an amount sufficient to pay all premiums then due to insurance carriers providing coverage to Employees under the terms of the Plan.

(ii) On a monthly basis, after depositing funds from the Reserve Account to the Premium Trust Account as set forth in section (i) above, BRMS, as agent of the Authority, shall apply the then remaining balance in the Reserve Account in excess of the Minimum Balance to the Authority to be used for the following purposes: (a) payment of the costs of all administrative services provided by the Authority including, but not limited to, the fees and expenses of the Administrator of the Authority and the Authority's various consultants including attorneys, actuaries, tax consultants, certified public accountants, brokers, BRMS as a third party administrator, etc.; (b) contributions to be made into the Authority's reserve fund pursuant to the direction of the Authority's Board of Directors; and (c) for any other lawful purpose of the Authority, including the payment of dividends to member agencies of the Authority.

(d) BRMS, as the agent of the Authority for the collection of Contributions, the deposit of Contributions into the Reserve Account, and the disbursement of the funds from the Reserve Account into the Premium Trust Account and to the Authority, as set forth herein, shall have no liability for acting upon any written instruction contained herein or presented by Authority in connection with the Reserve Account which BRMS in good faith believes to be genuine. Furthermore, BRMS shall not be liable for any act or omission in connection with these services provided as agent to the Authority except for its own negligence, willful misconduct or bad faith. BRMS shall not be liable for any loss or diminution in value of the Reserve Account as the result of the investments of the Reserve Account.

2.6 Premium Trust Account. As agent of the Authority, BRMS shall withdraw sufficient funds from the Reserve Account on a monthly basis and deposit such funds into the Premium Trust Account on a monthly basis for the purpose of paying all premiums then due and payable to insurance carriers providing coverage to Employees under the terms and conditions of the Plan, pursuant to invoices provided by such insurance carriers. Upon request, BRMS will provide assistance to Authority in Authority's efforts to develop an accounting policy for the Premium Trust Account designed to ensure that sufficient Contributions are withdrawn from the Reserve Account and deposited into the Premium Trust Account on a monthly basis to ensure that sufficient funds are available to pay all premium obligations of the Plan when due. It shall be the responsibility of the Authority to determine if changes in the accounting policies for the Premium Trust Account are needed and/or appropriate.

2.7 Not Administrator. It is understood that BRMS is not and will not be treated as the Administrator or sponsor of any Plan for ERISA and all other purposes. BRMS is not a provider of health care services or benefits.

Except as specifically set forth in this Agreement, BRMS shall have no responsibility or liability to any person for premiums of any Plan, or for payment of premiums or costs for any Plan provided by a third party.

2.8 Medical Expense Audits. BRMS, with notice to Authority, shall be authorized to incur expenses to validate the charges of medical providers, including hospitals. BRMS, with prior notice to Authority, may hire a third party medical expense auditor in connection with such validation. The cost of auditing the charges of medical suppliers under this Section shall be deemed an expense of the Plan. These costs will be applied toward any stop-loss provision of the Plan.

2.9 Access to Eligibility Data. BRMS agrees to allow and provide Authority complete and total access to Covered Person's eligibility data for the purpose of providing consulting assistance and customer service functions. Any and all available reports requested by Authority's designated agent shall be provided in a timely manner and in accordance with applicable state and federal privacy regulations.

2.10 Audit. Should the Plan be the subject of a Department of Labor audit or any audit or investigation by any federal or state government or any agency thereof, BRMS is specifically authorized by Authority to cooperate with any such audit or investigation.

2.11 Record Keeping.

(a) Plan Record Availability. BRMS will make copies of any Plan records and documents in its possession available to Authority upon request. Alternatively, BRMS shall permit authorized representatives of Authority, at reasonable times, to have access to, examine, and make copies of, such records and documents, at Authority's expense.

(b) Third Party Requests. Should copies of Plan records or documents be requested by any Employee, Covered Persons, court or governmental agency, BRMS will notify Authority of the request.

(c) Duplicating Charges. BRMS reserves the right, in its sole and absolute discretion, to condition the making of any copies on its advance receipt of its customary copying charges. Notwithstanding any of the foregoing, any examination or copying of any Covered Persons' records shall be carried out in accordance with applicable law.

(d) Record Retention. Upon the termination of this Agreement, BRMS shall have the option of retaining its copies of such records and documents for a period of three (3) years, or delivering them to Authority. In no event will BRMS intentionally destroy its copies of any Plan records or documents without first notifying Authority by regular mail, sent to Authority's last known address, and providing Authority at least thirty (30) days within which to request that such copies be delivered to Authority at Authority's cost.

3. Claims Administration Services. BRMS shall have no responsibility with respect to the administration, processing and payment of Claims.

4. COBRA Claims Administration. With respect to the administration and processing of COBRA claims (including assisting Authority in the determination of the eligibility of applicants for COBRA coverage), BRMS shall have the following responsibilities:

4.1 Initial COBRA Notification. BRMS shall provide the appropriate initial COBRA notification to covered Employees and dependent spouses in accordance with the requirements of COBRA and the Accelerated Recovery and Reinvestment Act of 2009 (the "ARRA").

4.2 Qualifying Event Notification. BRMS shall, upon notification from Authority of the occurrence of a Qualifying Event, promptly notify Qualified Beneficiaries of their right to continuation coverage under COBRA in accordance with the requirements of COBRA.

4.3 Monthly Reporting. BRMS shall, upon receipt of a response from an Employee selecting continuation coverage under COBRA, provide the following to Authority: (i) a monthly bill or coupon booklet directed to the recipient of continuation coverage to be used to remit payments of premium; (ii) receipt and accounting for premium payments; (iii) remittance of COBRA premiums received to Authority or the appropriate carriers and/or third party vendor; (iv) notice of termination of continuation coverage for nonpayment of premium, termination of coverage due to end of coverage period under COBRA, or termination of coverage for any reason permitted under COBRA.

4.4 Termination Notice. BRMS shall provide notice of termination of continuation coverage to the applicable Employee or other covered individual for nonpayment of premium, due to end of coverage period under COBRA, or for any reason permitted under COBRA.

4.5 Benefits Payment. The source of payment of COBRA benefits payable under the terms of the Plan shall be continuation coverage of the Plan's insurance policies funded by contributions made by Employees. Expenses of administration of the Plan shall be paid from contributions made by Authority on behalf of eligible participating Employees and contributions made by eligible participating Employees, if any.

4.6 Premium Payment. Authority understands and agrees that COBRA regulations do not require Authority to provide participants with a monthly bill statement or payment coupon after initial enrollment by the COBRA participant and that it is the responsibility of the participant to pay their COBRA premiums when due regardless whether or not they receive a bill statement or payment coupon.

4.7 File Maintenance. BRMS shall maintain Authority's COBRA eligibility files and related records of all Employees and their dependents participating in COBRA in accordance with the Plan.

4.8 Premium Fee. BRMS is hereby authorized to assess, collect and retain a COBRA administrative fee to be invoiced by BRMS to the COBRA participants as specified in Exhibit A.

4.9 Application Acceptance. BRMS is authorized to accept any application for benefits under COBRA from any employee, dependent or retiree of a member agency of Authority made in the manner and on forms acceptable to BRMS.

4.10 Eligibility Determination. To assist Authority in the determination of eligibility for COBRA benefits payable under the terms of the Plan and to investigate and verify any statements contained in the application for benefits that, in BRMS' sole opinion, require additional information for verification. With respect to the requirements of continued eligibility of dependent children, BRMS shall have the following responsibilities:

(a) BRMS shall request verification of student status two (2) times per year by notifying appropriate Covered Persons of their obligation to provide proof of student status for identified dependents upon request from BRMS.

(b) BRMS shall provide Authority with a written monthly report of those dependents who have exceeded the maximum age limit within the terms of the Plan and terminate identified dependents unless or until BRMS has or receives documentation identifying that said dependent is disabled.

4.11 Eligibility Notice. To communicate COBRA eligibility under the Plan to those Employees who have elected to receive COBRA benefits from such Plan.

4.12 Status Maintenance. To maintain COBRA eligibility by groups, defined as all eligible Employees of each member agency of Authority, using a separate location status identifier for each such group supplied to BRMS by Authority.

4.13 Regulation Compliance. To follow any rules or limitations under COBRA for the Plan, in which Employees may enroll, provided such rules or limitations were provided to BRMS by Authority. Examples of such rules are eligibility of retirees, domestic partners, overage dependent limits, waiting periods, coverage effective dates, age banded rates, tier structure and rate change rules.

4.14 Effect of Termination. All obligations of BRMS for processing of eligibility and disbursements of premiums payable under COBRA, will be terminated and extinguished upon the date of termination of this Agreement. Any COBRA premiums payable incurred prior to the date of termination will be processed and paid only for the time period up to and ending with the date of termination. COBRA payments remaining unprocessed or unpaid as of the termination of this Agreement shall be returned to Authority by BRMS and shall no longer be the responsibility of BRMS.

5. Vbas Service.

5.1 Vbas Defined. “Vbas” shall mean the machine readable version of the computer software located at (the “Site”) provided by BRMS in connection with and as a material part of the Services.

5.2 Vbas License. Subject to the terms and conditions of this Agreement, BRMS hereby grants to Authority and each of Authority’s member agencies a non-exclusive, non-transferable and non-assignable license to access Vbas solely (i) through the Site; (ii) by and through Authority’s Authorized Users; (iii) for Authority’s internal business purposes and for no other purpose. BRMS hereby grants Authority and each of Authority’s member agencies a non-exclusive, non-transferable and non-assignable license to use the documentation, instructional materials and user guides for Vbas which BRMS may make generally available to BRMS’ customers and in the form (paper or electronic) selected by BRMS (collectively, the “Documentation”).

5.3 No Other Rights. Other than the license granted under Section 5.2, all right, title and interest in and to Vbas, the Documentation, and all portions of the foregoing, including all intellectual property rights (e.g. patent, trade secret, copyright, trademark and similar rights), shall remain the property of BRMS or its licensors, as applicable. Authority’s use of third-party programs in conjunction with Vbas is not covered by this Agreement and will be governed solely by the terms and conditions of the applicable third party license agreements. Any rights not expressly licensed hereunder are reserved by BRMS.

5.4 Restrictions. To the maximum extent allowed by applicable law, neither Authority, its member agencies, nor their Authorized Users (defined below) shall reverse engineer, reverse assemble, decompile or otherwise attempt to derive source code of any software located on the Site or utilized in connection with the Service, including Vbas. Neither Authority nor its Authorized Users shall (i) disassemble, unbundle or cause the disassembly or unbundling of Vbas for any purpose; (ii) use Vbas on a service bureau or time share basis or to provide services to third parties; (iii) distribute, copy, rent, lease, sublicense or otherwise transfer Vbas to any third party; (iv) grant any third party, other than an Authorized User, access to Vbas; or (iv) modify Vbas for any purpose. Any modifications or configurations made to Vbas shall be made by BRMS and shall be the sole and exclusive property of BRMS.

5.5 Principle User. Authority will designate a single individual to act as the “Principle User” for Authority’s use of Vbas. BRMS will provide the Principle User with a password to access and use Vbas. Principle User will have the ability to add, change or delete Authority Information on Vbas. Principle User will have the sole authority to grant or delete Vbas access privileges to Authorized Users (defined below). Authority is responsible for the designation of the Principle User and shall notify BRMS immediately by written notice should Authority wish to designate a replacement for the Principle User. Authority is solely responsible for the activation and deactivation of access for its Authorized Users.

5.6 Access to Vbas by Authorized Users. An individual shall be an “Authorized User” only so long as he/she is (i) an employee, contractor or agent of Authority or a member agency of Authority who has received a valid password from the Principle User. BRMS recommends that the Authority have each Authorized User execute an Electronic Signature Authorization form (an “Authorization”) available from BRMS. Authority is responsible for obtaining, maintaining and storing signed Authorizations and will be solely responsible for any liability or action that results directly from providing access to Vbas to any Authorized Users from whom Authority did not obtain a signed Authorization.

5.7 Passwords. Each Authorized User shall be issued a unique user name and password by the Principle User. Authority agrees and shall cause each Authorized User to agree, that no user name or password will be utilized at any time by any person other than the Authorized User to whom such user name or password was originally assigned. Upon written notice to BRMS, Authority may terminate an Authorized User’s access and substitute a new Authorized User. Authority shall be solely responsible for all activities of its Authorized Users and any party who accesses Vbas through a password issued to Authority or an Authorized User. Authority agrees to immediately notify BRMS if Authority becomes aware of: (i) any loss or theft of any password, or (ii) any unauthorized use of any password, or (iii) any indication that anyone has or may have entered inaccurate, conflicting or inappropriate information into Vbas.

5.8 Electronic Signature. Authority agrees on its own behalf and on behalf of the employees of Authority’s member agencies , to adopt as its/their signature an Employer identification code and a password, which is

to be affixed to or contained in each transmission sent by such party (“Signature”). Authority hereby agrees and authorizes, on its own behalf and on behalf of the Employees of its member agencies, that its/their Signature shall act as its/their formal signature for all internet based transactions among Authority, Authority’s member agencies, employees of Authority’s member agencies, BRMS, vendors and any and all third parties. The initial Signature will be provided by BRMS to the Principle Users in confidence. While using Vbas, the Principle User, Authority, member agencies of Authority and employees of member agencies of Authority will have the ability to change their Signature at any time. Authority agrees and authorizes, on its own behalf and on behalf of its member agencies and their employees, that any Signature of Authority, or Authority’s member agencies, or employees of Authority’s member agencies affixed to or contained in any electronic document shall be sufficient to verify that Authority, and/or member agency of Authority and/or an employee of a member agency of Authority executed such document and authorized the actions contemplated thereby. Such Signature shall be treated in all respects as having the same effect as an original handwritten signature. In each case in this Section, where Authority, or one of its member agencies purports to bind either its Authorized Users or its employees or both, Authority and its member agencies represent and warrant to BRMS that Authority and its member agencies have the express authority to bind such Authorized Users and/or employees and understand that BRMS is expressly relying on such representations as a material inducement to BRMS’ willingness to enter into this Agreement.

5.9 Authority Information. Authority, in conjunction with BRMS and the Authority’s Broker shall populate Vbas with the accurate and timely information necessary for use of Vbas by Authority, Authority’s member agencies and their employees, and all Authorized Users including, employment, personal and payroll information on employees; contact information on each contracted vendor; benefit packages; and rates, payment, eligibility, contact, broker of record, benefits, coverage, enrollment information on each contracted Plan and employee handbook information (collectively the “Authority Information”). Authority is solely responsible for the accuracy of the Authority Information on Vbas.

5.10 Maintenance of Records. During the term of this Agreement, BRMS will maintain electronic records on Vbas pertaining to the use thereof by Authority, Authority’s member agencies and their employees and any other Authorized Users. BRMS will also maintain electronic records of transactions among BRMS, third party vendors, the Authority, Authority’s member agencies and their employees, and all other Authorized Users using Vbas. It is the responsibility of Authority to download (electronically or on paper) the Authority Information from Vbas prior to the termination of this Agreement. Except as specifically provided in this Section, BRMS will not be responsible for storing copies of the Authority Information for archiving or back-up purposes.

5.11 Accessibility of Records. Authority shall have access to all Authority Information available through Vbas during the term of this Agreement. Following termination of an Employee’s benefits or of a Plan, BRMS will maintain the relevant electronic records in a manner accessible to Authority on Vbas for twenty-four (24) months following the termination of the subject employee or Plan (provided this Agreement remains in effect for such period).

5.12 Security. BRMS will utilize security mechanisms reasonable in its sole discretion to protect the confidentiality and integrity of the Authority Information provided to Vbas.

5.13 Right to Change Vbas. BRMS shall have the right in its sole discretion to change Vbas at any time, provided that BRMS shall provide Authority with thirty (30) days notice of any material change to the functionality of Vbas. BRMS is under no obligation to make any changes to Vbas that Authority may request.

5.14 Connection to Vbas. Authority, at its own expense, shall provide and maintain the equipment, software, communication lines, services and testing necessary to effectively and reliably transmit and receive documents and information over the Internet to and from Vbas.

5.15 Agreements and Contracts with Vendors. Authority acknowledges that, its member agencies, and their employees may, through the use of Vbas and otherwise, enter into separate agreements with vendors. The terms of such agreements shall be at the sole discretion of, and enforceable solely against, the parties thereto. BRMS makes no warranties or representations regarding, and shall have no liability with respect to, any coverage, right to coverage, eligibility, claims, enrollment, benefits, premiums, conditions, exclusions or any other terms which may be available or agreed to under any such agreements and/or policies issued by or entered into with such third party vendors.

6. Fidelity Bond. BRMS shall obtain a fidelity bond, reasonably satisfactory to Authority, providing protection for the Plan and related Funds against loss by reason of an act of fraud or dishonesty on the part of BRMS, whether directly or through connivance with others, such bond having as a surety thereon a corporate surety company reasonably acceptable to Authority and meeting the requirements of ERISA.

7. HIPAA Requirements. With respect to the requirements of HIPAA relative to health benefits, BRMS shall (i) accept a Certificate of Group Health Plan Coverage from Covered Persons and apply the certificate's information to the Covered Person's record; or (ii) upon notification of termination of coverage of a Covered Person by Authority, promptly provide a Certificate of Group Health Plan coverage to the subject person and subsequent certificates, as requested in accordance with the requirements of HIPAA.

8. Information from Authority. Authority shall provide the following documents and information to BRMS in order to allow BRMS to perform the Services:

8.1 Information in General. Throughout the term of this Agreement, Authority shall provide to BRMS, on a timely basis, all information that is requested by BRMS to perform the Services. In performing the Services, BRMS must necessarily rely upon Authority and others to provide BRMS with timely, accurate and complete information as requested by BRMS. BRMS shall not be responsible for any damages, claims or liability of any kind, caused directly or indirectly by the failure of Authority or others to provide such timely, accurate and complete information to BRMS, or by any other circumstance not within BRMS' direct control. Authority is responsible for supervising the production and timely delivery of all requested data and information to BRMS.

8.2 Plan Documents. Within a reasonable period of time after the Effective Date of this Agreement, Authority shall provide BRMS with copies of all Plan documents. Authority shall provide BRMS with a true copy of any Plan amendment within a reasonable period of time after the effective date of such amendment. All original Plan records and documents shall be maintained by Authority.

8.3 Covered Person Information. Throughout the term of this Agreement, Authority shall promptly provide to BRMS all information about the Employees and their family members who are Covered Persons under one or more Plans that BRMS may request or need in order for BRMS to perform the Services, including, census data (e.g., name, address, date of birth, date of hire, date of termination of employment, and hours of service), the coverage provided to the Employees and their family under the Plan, the effective date(s) of such coverage as to each such person, and all changes in such information.

8.4 New Covered Person Information. Within a reasonable period of time after a Covered Person first becomes covered by one or more Plans during the term of this Agreement, Authority shall provide BRMS with written notice of such coverage.

8.5 Changes in Information. Authority shall promptly notify BRMS of any changes in information previously given or supplied to BRMS, particularly with respect to any change or anticipated change in the Plan or in the Employee census data.

8.6 Plan Modifications. Authority agrees that it will immediately notify Employees and BRMS of the cancellation or change in coverage of any Plan covering Employees and/or their dependents. Authority agrees to provide BRMS with timely notice of (i) change to Plan, (ii) addition of new coverage to Plan, (iii) deletion of coverage from Plan; (iv) additions of new Plan and (v) cancellation or termination of any Plan (each a "Plan Change"). Authority shall indemnify, defend and hold BRMS harmless; from and against any and all Costs resulting (directly or indirectly) from the untimely notice to BRMS of any Plan Change.

8.7 Additional Information. Throughout the term of this Agreement, Authority shall provide to BRMS such additional information as may be required in the Schedules.

9. Duties of Authority. Authority understands and agrees to perform the following obligations:

9.1 Document Execution and Delivery. Authority shall be responsible for the timely execution and delivery or filing with the applicable public agency of all documents and forms required from the Authority under the Plan or by applicable law. Although BRMS may assist Authority as requested in the preparation of such documents and forms, the decision to prepare and file such documents and forms shall be the sole responsibility of Authority.

9.2 Enrollment Form Collection. Authority shall be solely responsible for collection of completed enrollment forms of Employees wishing to obtain benefits under the Plan and shall promptly transmit all completed enrollment forms to BRMS.

9.3 Enrollment Supplies. Authority shall prepare or obtain supplies of enrollment forms, enrollment cards, Plan booklets and summary plan descriptions and shall distribute or make available such forms and documents to Employees.

9.4 Eligibility Verification. Authority shall verify the eligibility of any individual enrolling for benefits pursuant to terms of the Plan which verification shall be made on the benefit enrollment form submitted by Authority to BRMS.

9.5 Enrollment Rule Instruction. Authority shall inform BRMS in writing of all enrollment rules and limitations regarding the Plan. Examples of which are eligibility of retirees, domestic partners, overage dependent limits, waiting periods, coverage effective dates, age banded rates, tier structure and rate change rules.

9.6 Rate Information. Authority shall include on the enrollment forms submitted to BRMS all carriers and the rates of all coverage's and tier structures that may apply to the enrolling Employee and their dependents. Authority shall notify BRMS within five (5) business days, after receipt of any notification from a carrier of rate changes that affect a Covered Person's premium payments.

9.7 COBRA Obligations. With respect to the requirements of COBRA relative to mandatory continuation of coverage of health benefits, Authority shall have the following responsibilities:

(a) Authority, or its member agencies, shall maintain records tracking the loss or reduction of coverage of any Employee covered under the Plan due to any Qualifying Event.

(b) Authority, or its member agencies, shall, upon loss or reduction of coverage due to a Qualifying Event, immediately notify BRMS of such loss or reduction of coverage specifying the date thereof, the name of the Employee suffering such loss or reduction in coverage, the reason for such loss or reduction, and shall specify the last known mailing address of the Qualified Beneficiaries suffering a loss or reduction of coverage due to the occurrence of a Qualifying Event. It shall be the responsibility of Authority to notify BRMS of the occurrence of a Qualifying Event within fourteen (14) days after notice to Authority of the occurrence of such Qualifying Event.

(c) Authority agrees that BRMS shall not be responsible for any losses incurred by Authority due to the violation of the provisions of COBRA if such violations were occasioned by Authority's failure to abide by the terms and conditions of this Agreement.

(d) Authority shall be solely responsible for completion of the enrollment forms of Employees wishing to obtain benefits under COBRA by participation therein and shall transmit any enrollments from Employees with respect to details and shall advise BRMS promptly as to any enrollments for COBRA benefits made directly to Authority.

(e) Authority shall verify the eligibility of any Employee enrolling for COBRA benefits pursuant to terms of the Plan which verification shall be made on the benefit enrollment form supplied and submitted by Authority.

(f) Authority shall instruct BRMS in writing of all enrollment rules and limitations regarding all plans in which Employees may elect to enroll for COBRA benefits. Examples of which are eligibility of retirees, domestic partners, overage dependent limits, waiting periods, coverage effective dates, age banded rates, tier structure and rate change rules.

9.8 BRMS Not Plan Sponsor. BRMS is not and will not be treated as the sponsor or plan administrator of any of the Plans. BRMS is not a provider of health care services or benefits. BRMS shall have no responsibility or liability to any person for (i) any funding of any Plan benefits, (ii) the payment of any premiums or costs for Plan benefits provided by a third party (e.g., an insurance company or an HMO), (iii) providing any Plan benefits to any person, or (iv) the nature or quality of the benefits or services provided by third parties to Authority or any Covered Person.

9.9 Instruction Request. BRMS may, by written request, seek instructions from Authority on any matter related to the interpretation of a Plan or the benefits thereunder, and may await the written instructions from Authority without incurring any liability under this Agreement whatsoever. If at any time Authority should fail to give directions to BRMS in a timely manner, BRMS may act or refrain from acting, and shall be protected in acting or refraining from acting without such directions, as BRMS deems in good faith to be appropriate and advisable under the circumstances.

9.10 Business Associate Agreement. Concurrently with the execution hereof, Authority agrees to execute the Business Associate Agreement attached hereto as Exhibit B.

9.11 Dispute Resolution. If any dispute arises between Authority and any other person, including, without limitation, any Qualified Beneficiary, with respect to the interpretation of the Plan or the benefits thereunder, then BRMS shall not be obligated to take any other action in connection with the matter involved in the controversy until such time as the controversy is resolved. In addition, BRMS may deposit any cash or other property related to the controversy in an interpleader action with the court of jurisdiction under applicable law.

10. Confidential Information. All confidential records, files, documents and the like relating to the Plan provided to BRMS by Authority shall be and remain the sole property of Authority and shall not be disclosed to third parties except as authorized in this Agreement, as otherwise authorized by Authority in writing, or pursuant to the direction or order of a governmental agency or a court.

11. No Legal Services. Authority acknowledges that BRMS is not authorized to engage in the practice of law and that BRMS will not provide legal services to Authority or any other person. Authority shall not rely upon BRMS in any way for any legal opinions or legal documents that Authority or any Plan fiduciary may require. Whenever a legal issue arises in the course of the work to be performed under this Agreement, Authority shall obtain such legal counsel as may be necessary to resolve the issue. Authority shall notify BRMS of the resolution and BRMS shall be entitled to rely upon that decision in performing its services for Authority.

12. Advice and Recommendations. Although BRMS may from time to time call to Authority's attention and/or make recommendations regarding potential or actual problems with respect to the operation and administration of the Plan, Authority understands and agrees that such advice and recommendations are a matter of accommodation only and that BRMS has no duty to give such advice, make such recommendations, or otherwise to question any actions or decisions of Authority, the sponsoring Authority, any Plan fiduciary, or any of their respective agents or employees.

13. Not a Fiduciary. Authority understands and agrees that BRMS is not the plan sponsor, plan administrator or plan fiduciary under ERISA for the Plan and that BRMS does not act in any fiduciary capacity with respect to the Plan. BRMS acts in an administrative support capacity only. BRMS shall not have any discretionary responsibilities in the administration of the Plan. BRMS shall not be responsible for reporting and disclosure compliance under ERISA. Authority will make certain that the sponsoring Authority, all Plan fiduciaries, and the participants understand BRMS' nonfiduciary status as well. Authority and each Plan fiduciary shall retain his, her, its or their full authority, discretion and responsibility for the operation of the Plan with respect to which BRMS is providing the Services. Authority's decision as to any Claim under the Plan shall be final and binding. Authority represents and warrants that it is the Authority, plan sponsor, plan administrator and plan fiduciary under ERISA for the Plan. Authority is solely responsible for state and federal disclosure and reporting requests in connection with its activities under this Agreement. Authority agrees to maintain Plan in full compliance with all applicable laws and regulations.

14. Payment of Fees.

14.1 Amount. In consideration for the Services performed by BRMS under this Agreement, Authority shall pay to BRMS the fees and expenses set forth in Exhibit A to this Agreement. Within thirty (30) days after the conclusion of each calendar month during the term of this Agreement, BRMS shall provide Authority with a monthly invoice of the amount due to BRMS for the Services and any direct expenses incurred in performance of the Services.

14.2 Due Date. All fees and charges shall be due when invoiced and will be considered in default if not paid within thirty (30) days after the invoice date. Unpaid fees and charges will bear a service charge equal to the

greater of five percent (5%) of the amount billed or twenty-five dollars (\$25). BRMS' obligation to provide the Services is expressly conditioned upon timely payment of its fees by Authority.

15. Term. The term of this Agreement shall commence on the Effective Date and continue until terminated in accordance with Section 17.

16. Termination.

16.1 Manner of Termination. This Agreement or any Schedule may be terminated in the following manner:

(a) By Authority, by delivering at least ninety (90) days prior written notice of termination to BRMS and paying BRMS all fees owed through the effective date of termination;

(b) By BRMS, by delivering at least ninety (90) days prior written notice of termination to Authority;

(c) By BRMS, by delivering written notice to Authority, in the event Authority fails to provide Funds necessary for the performance of BRMS' Claims administration responsibilities under this Agreement;

(d) By either party, by delivering, at least thirty (30) days written notice of the other's breach of a material obligation under this Agreement, provided that such breach is not cured within such thirty (30) day notice period; or

(e) Automatically, upon the voluntary or involuntary bankruptcy or dissolution of either party.

16.2 Abbreviated Termination. In the event that Authority terminates this Agreement or any Schedule without cause upon less than the ninety (90) days notice period described in Section 17.117.1(a), then on the effective date of termination (and subject to adjustment as described in Section 17.4), Authority shall pay BRMS for two (2) months of compensation for the terminated Services where such compensation shall be equal to two (2) times the compensation due for the last month immediately preceding Authority's notice of termination.

16.3 Allocation of Assets. Within sixty (60) days after termination, BRMS shall deliver to its successor or such other person or entity as may be designated by Authority such Funds of the Plan which remain in the possession of BRMS, if any, at which time BRMS shall be relieved of any obligation to make further payments under the Plan for Claims or otherwise.

16.4 Final Accounting. Within the sixty (60) days after the effective date of termination, BRMS shall deliver a final accounting to Authority which shall include an accounting of receipts, disbursements and other transactions of BRMS regarding the Plan.

16.5 File Delivery on Termination. Upon termination of this Agreement, BRMS shall deliver all eligibility files to Authority. Authority shall: (i) pay the costs of shipment of such eligibility files to Authority; and (ii) store such files in accordance with applicable laws and regulations. Authority further agrees to return to BRMS, upon request, any eligibility file that may relate to any lawsuit or proceeding involving BRMS relating to BRMS' activities as third-party administrator provided pursuant to the authority set forth in this Agreement.

16.6 Conclusion of Obligations. All obligations of BRMS under this Agreement (excepting those specifically referenced in this Section 17), including the responsibility for communicating eligibility and disbursements of premiums, will be terminated and extinguished upon the date of termination of this Agreement.

16.7 Notification of Termination. In the event of termination of this Agreement by either party Authority shall immediately notify all of the Covered Persons that this Agreement has been terminated.

17 Liability Limitation. Authority agrees that, except to the extent caused by BRMS' negligence or willful misconduct, BRMS shall not be responsible for any damage, loss, demand, benefit, liability, payment, tax, penalty, cost or fee (including, all costs and fees of litigation and its threat, including attorneys' fees), of any nature whatsoever (collectively, "Costs"), arising from or related to claims, allegations or actions (each an "Action") pertaining to (i) the Plan, (ii) any of the Services, (iii) any refusal by BRMS to provide Services due to Authority's failure to perform any of Authority's obligations under this Agreement; or (iv) any Authority Information posted to Vbas.

18. Authority Indemnity. Authority agrees to indemnify, defend and hold harmless BRMS, its shareholders,

directors, officers, employees, agents and subcontractors from and against any and all Costs arising from or related to any and all third party Actions regarding: (i) the action or inaction of Authority in connection with this Agreement (ii) the provision of the Services by BRMS, except to the extent the Action pertains directly to BRMS' negligence or willful misconduct; (iii) attempts to recover benefits alleged to be payable under the terms of the Plan, except to the extent the Action pertains to BRMS' negligence or willful misconduct; (iv) any Authority Information posted to Vbas; (v) any breach of this Agreement by an Authorized User of Vbas.

19. BRMS Indemnity. BRMS agrees to indemnify, defend and hold harmless Authority from and against any and all Costs actually incurred by Authority arising from or related to the provision of Services pursuant to this Agreement to the extent attributable to BRMS's negligence or willful misconduct in performing the Services, subject to the provisions of Section 23.2.

20. Insurance Requirements. BRMS shall provide and keep in force during the term of this Agreement, at its own expense

<u>Insurance Type:</u>	<u>Coverage:</u>
Workers' compensation	Compliance with California requirements
General liability	\$1,000,000/per occurrence; \$2,000,000/general aggregate
Errors and omissions	\$3,000,000 aggregate
Comprehensive crime	\$1,000,000/employee practice liability

21. No Underwriting by BRMS. Authority expressly agrees and understands that BRMS does not insure or underwrite the liability of Authority under any Plan. BRMS verifies the eligibility of an individual for benefits under the Plan only and in no event guarantees payment of benefits. Authority retains sole responsibility for payment of all Claims made under the Plan and all expenses and fees incurred incident thereto.

22. Agency Authority. Authority hereby grants to BRMS, on Authority's own behalf and on behalf of its employees, the authority to act as their limited agent (solely as provided herein) and to contact, interact with and transact business with vendors, brokers of record and contracted consultants of Authority through Vbas or otherwise. This authorization includes, but is not limited to, the release of file specifications, eligibility data and premium information.

23. General Provisions.

23.1 Notice. All notices provided for hereunder shall be in writing and shall be deemed to be given (i) upon receipt after being sent by overnight courier which issues a receipt, charges pre-paid, (ii) upon the date indicated in the return receipt when sent by United States mail, first class, registered or certified, return receipt requested, with proper postage prepaid, or (iii) upon receipt, by commercial express document delivery service which issues an individual delivery receipt, in each case to the address set forth on the Summary. The parties hereto may change their notice address or add additional addresses for the giving of notice by giving notice of such changed or additional addresses to the other party hereto in the manner set forth herein.

23.2 Limitation of Liability. BRMS SHALL NOT BE LIABLE TO AUTHORITY FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER INCLUDING DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA OR OTHER PECUNIARY LOSS, WHETHER ARISING IN CONTRACT OR TORT, INCLUDING NEGLIGENCE, ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS LIMITATION SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE LIMITATION SHALL APPLY EVEN IF BRMS WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

23.3 Limitations on Actions. Notwithstanding any applicable law that may provide for a longer period of time, no action, regardless of its form, arising out of this Agreement may be brought by either party more than two (2) years after the cause of action has arisen or, if the action involves nonpayment, more than two (2) years after the date of the last payments.

23.4 No Third Party Beneficiaries. Nothing in this Agreement is intended, nor shall be construed, to create any rights by or on behalf of any person who is not a party to this Agreement.

23.5 Force Majeure. Excepting Authority's payment obligations hereunder, neither party shall be liable for failure to perform any of its obligations under this Agreement to the extent that such failure is caused by circumstances beyond such party's reasonable control, including acts of God, civil disturbances, natural disasters, actions or decrees of governmental bodies. Upon the occurrence of any such event, the affected party promptly shall give notice to the other party and shall use reasonable efforts to resume performance.

23.6 Governing Law and Mediation. Any dispute or claim arising out of or relating to this Agreement, in the interpretation, performance, breach or termination thereof, shall first be submitted to Mediation in Sacramento County, California, under the Mediation Rules promulgated by Judicial Arbitration & Mediation Services ("JAMS") by one mediator appointed in accordance with such rules. Both parties to this Agreement agree to waive their right to file legal proceedings in Superior Court until such time as the mediation process has been concluded. The parties shall share the costs of the Mediation, including the mediator's fee, equally. Each party shall bear the cost of its own attorney's fees and expert witness fees. After completion of all mediation proceedings, either party may proceed with legal proceedings. However, each party consents to the personal jurisdiction and venue of the state and federal courts located in Sacramento County.

23.7 Severability. The invalidity in whole or in part of any provision hereof shall not affect the validity of any other provision. The provisions of this Agreement are severable and if any one or more such provisions shall be determined to be invalid, illegal or unenforceable, in whole or in part, the validity, legality and enforceability of any of the remaining provisions or portions hereof shall not in any way be affected or impaired thereby and shall nevertheless be binding between the parties hereto. Any such invalid, illegal or unenforceable provision or portion thereof shall be changed and interpreted so as to best accomplish the objectives of such provision or portion thereof within the limits of applicable law or applicable court decisions.

23.8 Waiver. A waiver of a breach of any term of this Agreement must be in writing and shall not be construed as a waiver of any succeeding breach of that term or as a waiver of the term itself. A party's performance after the other's breach shall not be construed as a waiver of that breach.

23.9 Assignment. Neither party shall assign this Agreement or any rights hereunder, by law or otherwise, without the other party's prior written consent. Notwithstanding the foregoing, BRMS may assign or transfer this Agreement in whole or in part without the prior written consent of Authority in connection with (i) a financing of BRMS or any of its assets, (ii) a merger of BRMS with a third party, (iii) the sale of all or any part of the outstanding capital stock of BRMS, (iv) the sale of all or substantially all of BRMS' assets or those assets of BRMS related to this Agreement. In the case of any permitted assignment or transfer of or under this Agreement, this Agreement or relevant provisions shall be binding upon, and inure to the benefit of, the successors, representatives, administrators and assigns of the parties hereto. All purported assignments or transfers in violation of this Section shall be null and void. For avoidance of doubt, BRMS may subcontract any or all of the services required hereunder to any of BRMS' affiliates and subsidiaries, contracted providers, and approved vendors without the written consent of Authority.

23.10 Headings/Interpretation. Headings used in this Agreement are for reference purposes only and in no way define, limit, construe or describe the scope or extent of such section or in any way affect this Agreement. Where the context provides, the singular shall include the plural and terms shall be interpreted as gender neutral. The word "including" shall be read as "including without limitation". When a reference is made in this Agreement to an Article or a Section or Schedule, such reference shall be to a Section of, or Schedule to this Agreement unless otherwise indicated.

23.11 Consents. Wherever this Agreement requires either party's approval, consent or satisfaction, such approval, consent or satisfaction may not be unreasonably or arbitrarily withheld, conditioned or delayed.

23.12 Independent Contractors. BRMS is an independent contractor, and no partnership, joint venture or employee-Authority relationship is intended or created by this Agreement. Except as expressly set forth herein in connection with the Services, BRMS has no authority to contract for or bind Authority in any manner whatsoever. This Agreement confers no rights upon either party except those rights expressly granted herein. Each party assumes full responsibility for its actions and the actions of its personnel in rendering performance pursuant to this Agreement.

