

**MACo Board of Directors
Conference Call
August 20, 2007
3:00 PM**

MINUTES

This was a joint conference call with the MACo Board of Directors, JPA, JPIA and HCT Boards of Trustees. President Prinkki and Chair Murray convened the joint meeting of the Boards at 3:10 p.m. for the purpose of selecting an Independent Auditor to conduct financial audits for the Association and the Trusts for the years 2007 – 2010. Participants were:

MACo Board of Directors: John Prinkki, President; Cynthia Johnson, 1st VP, Mike McGinley, 2nd VP, Allan Underdal, Fiscal Officer; Greg Chilcott, Urban County Representative; Richard Dunbar, District #1, Mark Rehbein, District #2; Don Reiger, District #3; Arnie Gettel, District #5; Carl Seilstad, District #6; and Tom Rice, District #12.

JPA Board of Trustees: John Prinkki, Chair; Cynthia Johnson, Mike McGinley, Allan Underdal, and Greg Chilcott.

JPIA Board of Trustees: Mike Murray, Chair; John Prinkki, Cynthia Johnson, Richard Dunbar, and Carl Seilstad.

HCT Board of Trustees: John Prinkki, Chair; Cynthia Johnson, Dave Reinhardt, and Jim Durgan.

MACo Staff: Harold Blattie, Executive Director; Sheryl Wood, Associate Director; Tom Swindle, Finance Officer; Jack Holstrom, MACo JPIA Personnel Services Administrator; Greg Jackson, MACo JPA/JPIA Trust Administrator; Owen Voigt, MACo HCT Trust Administrator.

1) Independent Auditor Selection

Harold Blattie reported that the RFP had been issued and that three firms had responded: Anderson ZurMuehlen & Co., P.C. (AZ); Galusha, Higgins and Galusha, PC (GHG), and Junkermier, Clark, Campanella, Stevens, P.C. (JCCS). The proposals and a cost analysis were e-mailed to all Trustees prior to the call.

Tom Swindle informed the Board that eight firms had received the RFP and four firms had contacted him via telephone for discussion.

Tom reported that all of the firms are qualified and highly respected, with JCCS having more Insurance Pool experience. JCCS is the current independent auditor for the MACo HCT.

The large difference in the proposals is in the cost analysis. AZ's proposal was over \$42,000 lower than GHG, and more than \$38,000 lower than JCCS.

Mike Murray asked Tom Swindle what the previous costs were for TOS to audit MACo and the JPA and JPIA Trusts. Tom reported that the charges were about one half the proposal for MACo, and about \$2,000 - \$3,000 less for the two Pools. Harold noted that the difference is in the overhead. Where TOS & Associates was a small office, their fees were lower as they did not have the overhead costs that the larger firms have.

MACo Board of Directors: President Prinkki opened for discussion. Carl Seilstad, District #6 asked if he should abstain from the vote as his wife works for GHG. Jack Holstrom advised that since there was a quorum present, it would be best if he recused himself. Jack further advised that it would not be inappropriate for Carl to participate in the discussion.

Arnie Gettel commented that AZ had conducted the audits for the last three years in their county, and had charged them extra if there was any additional research/or work to be done. They did a good job – but he wanted the Board to be aware of potential additional costs. Director Blattie reported that there is language contained within the contract proposal that authorizes them to charge for additional work.

Mike McGinley moved and Greg Chilcott seconded to accept the Independent Audit Proposal from AZ & Co. Motion carried. Carl Seilstad abstained.

JPIA Board of Trustees: Chair Murray opened for discussion.

Richard Dunbar moved and Cynthia Johnson seconded to accept the Independent Audit Proposal from AZ & Co. Motion carried. Carl Seilstad abstained.

JPA Board of Trustees: Chair Prinkki opened for discussion.

Allan Underdal moved and Cynthia Johnson seconded to accept the Independent Audit Proposal from AZ & Co. Motion carried.

Health Care Trust: Chair Prinkki opened for discussion.

Dave Reinhard moved and Cynthia Johnson seconded to accept the Independent Audit Proposal from AZ & Co. Motion carried.

There being no further business to come before the board; the conference call was adjourned at 3:28 p.m.

Approved this 23rd day of September 2007.



John Prinkki, MACo President



L. Harold Blattie, MACo Executive Director