

## SUMMER 2009

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## Passing the Torch

By Alan Hulse, *Chief Executive Officer*

As the MMIA looks forward to our 24th year of providing service to Montana's municipalities, I am reminded that similar to July 1, 2008, July 1 of this year will mark the passing of another era for the MMIA. Last year, on June 30, CEO Bob Worthington worked the last day of a 22 year career for the MMIA. Now this year on June 30, EB Program Manager Helen Gonsowski retired after five years of dedicated service to Montana municipalities.

Helen began her tenure with the MMIA in October 2004 as the Program Manager of the new Employee Benefits Program. Through the first five years, the EB Program has been a tremendous success in large part due to Helen's dedicated service and leadership. Under her direction we have seen this program nearly double in size, we have seen plans restructured to provide flexibility and choice to our members, we have transitioned to new service providers, developed a wellness program and provided the financial stability that is so critical to our membership. Helen has been a steady and knowledgeable manager and will truly be missed as she embarks on the next phase of her life.

As any era comes to an end, it is both bitter and sweet. While we will truly miss

Helen's leadership in the EB Program, we are also eager to see the new energy, creativity and skills that Amanda Martin will bring to the program. Amanda was chosen to replace Helen beginning July 1, 2009 as the Manager of the MMIA Employee Benefits Program. Amanda has served the MMIA as the Member Services/Training Coordinator for the past three years and brings significant management experience, creativity and energy to the program. Amanda has a degree in Industrial & Management Engineering,



Amanda Martin

from Montana State University, and has worked closely with Helen and the EB Staff over the last year. I know that Amanda has the dedication, skills and aptitude to take our EB Program to new heights.

So while I reflect upon the ending of an era, I look forward to the opportunity created by a new beginning. While I wish Helen a warm and heartfelt thanks and farewell, I also welcome the talents that Amanda brings to bear, and look forward a new era of leadership for the Employee Benefits Program. ■

# Generic Prescription Copay Holiday

By Amanda Martin,  
Employee Benefits Program Manager

For a limited time, participants of the MMIA Employee Benefits (EB) medical program will get a generic prescription copay holiday. This means that enrollees can get generic prescriptions at no cost, from July 1, 2009 through September 30, 2009. This includes generic prescriptions you may currently be taking, or new prescriptions that your doctor prescribes during this time. *Unfortunately, participants enrolled in the HDHP are not eligible to participate in this holiday due to IRS regulations.*

You may be taking a brand name drug that has a generic alternative. To find out if there is a generic available for your brand medication

you can go to [www.catalystrx.com](http://www.catalystrx.com), log in with your ID number, and click on drug information. If there is a generic alternative to your brand prescription available, ask your doctor if switching to the generic is a viable option for you. If you switch to the generic, not only will you be able to take advantage of the copay holiday from July through September, you will also see significant cost savings after the holiday has ended.

## Brand vs. Generic

When a drug is first developed, the pharmaceutical manufacturer patents the drug and brand name for 20 years, and because of the patent, are able to charge any amount they choose. When the patent expires, other companies can seek approval from the FDA to manufacture an equivalent product under its “generic” name. As stated by the FDA Com-

missioner, “Generic Drugs contain the same active ingredients as name brand drugs and are just as safe and effective”. Generics are essentially the same as brands, but at a much lower cost. This is because less money is needed for research and development, there is less advertising (25% of brand cost is due to marketing), and multiple manufacturers drive down costs.

By encouraging the use of generic prescription alternatives through this copay holiday, the EB program will be able to realize great savings to the program. When participants switch from a brand to a generic drug, the whole program sees a savings, helping to control costs and provide rate stabilization for all that are enrolled.

For more information, contact the EB department at 1-800-635-3089. ■

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## MMIA Offers Risk Management Training Endowment

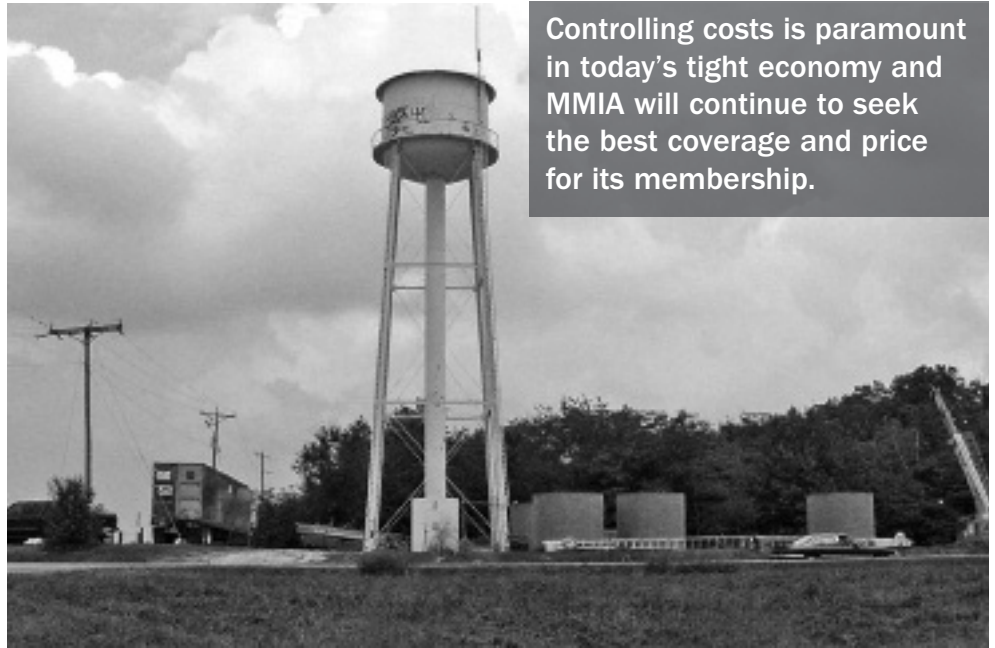
MMIA's Risk Management Training Endowment is available to member municipalities to assist with training efforts and to encourage training partnerships among Montana's cities and towns. Municipal departments can request up to \$2,000—up to \$4,000 for a single member per fiscal year. Requests for the endowment must be a formal application and submitted by a member of one of MMIA's coverage programs. The application must identify a risk management initiative that includes registration of at least 10% of MMIA's member entities. If you are interested in learning more about this program or getting an Endowment Application, contact John Cummings at MMIA 800-635-3089. ■

# What's New in the Property Program Besides the Name?

By John D. Craig, Property Program Manager

**A** new coverage year; a new name and a new coverage form document are some of the changes you'll see from MMIA this coming year. The changes to the Property Program Coverage form are subtle but important to you as program participants. I would like to take a moment to talk about each of the three form changes that adjust your coverage.

- The first change is more of a restoration of coverage to previous language. Last year's coverage allowed for new vehicle replacement once the cost of damages to the old one met or exceeded the market (what it would typically sell for or 'Blue Book') value of the vehicle. This led to a string of new replacements for vehicles which were easily repairable. Needless to say the program costs shot up significantly, costs that go back into everyone's rates. MMIA will return to our original intent to provide vehicle replacement only for constructive total loss of a vehicle. If it can be safely repaired with like kind and quality parts for less than the cost of a new vehicle, we will repair it regardless of its market value. This saves the program money and returns the claimant member to the same position they were before an accident, and that is the intent of property coverage.
- The next change comes from a need to report all property owned or controlled by the municipality on each member's annual property schedule. As you know, MMIA's coverage form allows replacement coverage for property not scheduled (listed) on a member's annual declaration. This



Controlling costs is paramount in today's tight economy and MMIA will continue to seek the best coverage and price for its membership.

provision has always been intended to cover properties that were acquired mid coverage year. To assure this 'new acquisition' intent is followed, the coverage for next year has changed and un-scheduled "Replacement" will only be offered to properties which have been owned or controlled by the municipality for 18 months or less. There will still be coverage for older undeclared property, but it will be adjusted to a lower ACV (actual cash value) market valuation.

- Finally there is a change to the exclusions. As 'All Risk' coverage, the MMIA form covers everything unless it is excluded or if excluded, added back by scheduled endorsement. Infrastructure, (tunnels, bridges, catwalks, roadways, highways, streets, sidewalks, culverts, streetlights, traffic signals) has

always been excluded from coverage. Similarly 'retaining walls' had never been addressed specifically. With the coming year, retaining walls will also be listed as an excluded un-scheduled item. Unless they are specifically listed on your schedule of property, there will be no coverage for retaining walls.

The changes made to this year's MMIA Property program will strengthen the pool as a whole. Conservative coverage changes aid in our ability to seek lower coverage rates in the outside reinsurance markets. Lower reinsurance helps us maintain reasonable pricing for the member pool coverage. Controlling costs is paramount in today's tight economy and MMIA will continue to seek the best coverage and price for its membership.

If you have questions or simply want to talk about the changes, give me a call at (800)635-

## REMINDER

Effective as of July 1, the MMIA is now the **Montana Municipal Interlocal Authority.**



# Suggested Best Practices for Using Volunteers During Large Emergency Events

By Thomas B. Danenhower,  
Risk Management Specialist

Between large urban fires and natural gas explosions, 2009 has been an active year in terms of large emergencies for Montana Municipal Interlocal Authority (MMIA) members. One of the issues that has come up is how to best utilize volunteer help from citizens during these events.

Problems can quickly arise if volunteers are not supervised and organized. If a coordinated effort is absent, volunteers tend to get involved anyway and in some cases, endanger themselves and others with bad outcomes. Another problem is lack of workers' compensation and liability coverage for volunteers unless they are part of a city sponsored entity such as a volunteer fire department and have been placed on a roster which is updated quarterly and submitted to MMIA.

Our observation is that one good way to organize volunteers might be to go through a local chapter of the Red Cross. They might be able to help coordinate efforts and also set up supply and first aid areas or tents. This area provides a place for volunteers to receive instructions and needed supplies such as personal protective equipment.

Another way to go is to start or join a local



Citizens Emergency Response Team (CERT). The CERT program is a national effort and part of Homeland Security. These teams can be part of county Local Emergency Planning Councils (LEPCs). In Montana our State Program Manager is Lorri Brown. She can be reached at (406) 444-1718 or [lbrown@mt.gov](mailto:lbrown@mt.gov) or (406) 422-2261 (cell). Although the Federal Emergency Management Administration (FEMA) is working on liability and workers'

compensation coverage for CERT volunteers, nothing is in place yet. In short, volunteers have some "Good Samaritan" immunity for cases where first aid is rendered, but probably will not be covered if they cause damage and are found negligent or if they become injured themselves. If you have questions or would like more information, please contact Thom Danenhower, (800) 635-3089 or [tdanenhower@mmia.net](mailto:tdanenhower@mmia.net). ■

## 2009 Governor's Occupational Safety and Health Awards Program

By Thomas B. Danenhower,  
Risk Management Specialist

The 2009 safety awards will continue the small public and large public employer categories along with a Most Innovative Occupational Safety & Health Idea category.

The application period closes on July 31, 2009. The application can be submitted online or via hardcopy by downloading and mailing in the form. The application is available at: <http://erd.dli.mt.gov/upevents/governorsconf.asp>.

If you have any questions or need more information, please contact Judy Murphy, State Safety Bureau at (406) 444-5267 or [ju-murphy@mt.gov](mailto:ju-murphy@mt.gov). ■



# Managing Compensatory (Comp) Time

By John Cummings, MBA, PHR, Human Resource and Risk Management Programs Manager

**Non-Exempt Staff:** Many municipalities have struggled with the appropriate use of compensatory or "comp" time with its hourly or non-exempt staff. In basic terms, comp time is utilized as an alternative to overtime pay for non-exempt employees.

The Fair Labor Standards Act (FLSA) defines compensatory time off as paid time away from the job that is earned and accrued by an employee in lieu of a cash payment for overtime compensation, at the rate of no less than one and one-half hours of compensatory time for each hour of overtime worked. Under the act, only government agencies may legally allow their nonexempt employees time off in place of wages; for the most part, private employers are not eligible to use comp time in place of overtime.

Before a municipality decides to offer comp time to its employees, it may wish to consider the following. First, who must receive overtime pay? Under the FLSA and Montana wage and hour law, non-exempt employees must receive overtime pay for all time worked in excess of 40 hours per workweek. Overtime pay must be at least one-and-one-half times the employee's normal hourly wage rate. Definitions of exempt and non-exempt employees can be accessed through the Montana Department of Labor Wage & Hour Unit's website at: <http://erd.dli.mt.gov/labor-standard/wagehrlaws.asp> or by calling the Unit at (406) 444-5600.

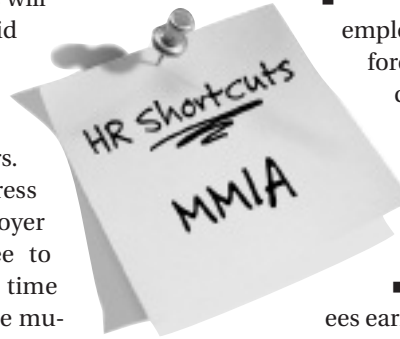
MMIA strongly recommends that municipalities establish a written policy that limits the number of comp time hours that can be accumulated in a fiscal year. If an employee reaches the limit before the end of the fiscal year, the municipality will switch to paying overtime until the comp time balance is reduced. In addition, if an employee is unable to take their comp time by the end of the fiscal year, MMIA recommends that the municipality pay the employee the amount due at the appropriate time and a half rate and return the employee's comp time balance

back to zero. These steps will help a municipality avoid having staff build up hundreds to thousands of comp time hours over the course of several years.

It is important to stress that although an employer may allow an employee to choose between comp time and overtime pay, it is the municipality's obligation to insure that the non-exempt employee is compensated for all time worked in excess of 40 hours per workweek.

**MMIA strongly recommends that municipalities establish a written policy that limits the number of comp time hours that can be accumulated in a fiscal year.**

**Exempt Staff:** Municipalities may also establish a comp time policy for exempt employees, although it is not required under the Fair Labor Standards Act. Some factors municipi-



ties may wish to consider as they design their comp time policy for exempt employees are:

- How many hours will an employee work in a workweek before they are eligible to earn comp time?
- Do you want to limit the total amount of comp time that an employee can accrue at any given time?
- At what rate will employees earn comp time? One hour of comp time for each eligible hour worked?
- Policy should specify that comp time earned by exempt staff has no cash value.

For exempt staff, comp time is not subject to the same requirements as accrued leave. Upon termination, an exempt employee does not need to be compensated for unused comp time.

In summary, after considering these issues, if you choose to allow employees to earn comp time, document a compensatory time policy and communicate it to your employees. Remember to clarify between the different classifications of employees. ■

## MMIA/MACo Video Library

By John Cummings and Thomas B. Danenhowe, MMIA Risk Management

The Montana Municipal Interlocal Authority training video library is a great source of training videos on subjects like the Montana Safety Culture Act or back safety. The content list and application form can be accessed from the MMIA website, [www.mmia.net](http://www.mmia.net). The form can be emailed to Fran Monro, Video Library Coordinator, at the Montana Association of Counties (MACo) [macoim@maco.cog.mt.us](mailto:macoim@maco.cog.mt.us) or faxed to (406) 442-5238. If you choose to mail the form, the address is:

MACo  
Attn.: Fran Monro  
2715 Skyway Drive  
Helena, Montana 59602

Requests should be made at least one week in advance and orders need to be made by title and inventory number. Up to three items can be borrowed at one time and materials go out on a "first come first serve" basis. For more information, Fran can be contacted at (406) 444-4370. You can also contact John or Thom at (800) 635-3089 or e-mail them at [tdanenhowe@mmia.net](mailto:tdanenhowe@mmia.net) or [jcumings@mmia.net](mailto:jcumings@mmia.net).



# Bob Worthington Outstanding Achievement Award Finalist for the Fourth Quarter

*John Cummings, MMIA Risk Management and Human Resources Manager*

The Bob Worthington Outstanding Achievement Award was designed to award truly exceptional safety and risk management programs among the Montana Municipal Interlocal Authority membership. Each quarter a finalist is selected and an annual award winner is selected from this group each year.

In the fourth quarter, the City of Bozeman Trench Rescue Program has been selected as our award finalist. This program is a great collaborative effort between the Fire and Water/Waste Water Systems Departments. These departments have

trained extensively together and they have even set up a practice trench-pit and drill with a life-like dummy. The trench rescue truck was built up from an older Water utility truck and since the Water/Waste Water Systems folks have extensive trenching equipment, the Fire Department was saved the expense of duplicating this rescue equipment.

In the event of a trench collapse, public works sewer vacuum trucks are used to rapidly remove dirt until the body is exposed and then the trench is stabilized and Fire Department Rescue Crews enter the trench and perform rescue work or body removal on trapped individuals. The program has had the very beneficial side effect of building a



strong working relationship between the departments which was very helpful during the recent large natural gas explosion event in downtown Bozeman. ■

## Trip Hazards On or In Your Sidewalks

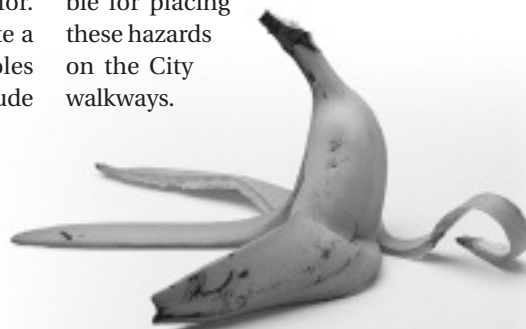
*By Linda Coombs, Property Claim Supervisor*

Over the years MMIA has handled some rather odd injury claims due to a hazard constructed in a sidewalk or placed on a sidewalk. Most of these items are meant to beautify the walkway but actually create liability for a City. Included in those hazards are trees and tree grates, flag poles, benches, planters and signs. Believe it or not, people do not always watch where they are walking and are injured due to tripping over or walking into these items on the sidewalk.

We are seeing an increase in trip claims due to the tree grates that are constructed into the sidewalks. These need inspection and maintenance. Sidewalks shift, tree roots surface and delivery vehicles run over them. It doesn't take much of a lift or settle to create a trip hazard which you could be liable for. Tree roots should not be allowed to create a trip hazard in known walkways. Flag poles need to be marked. They should not include a flag holder imbedded into your walkway that rises above the sidewalk. The holder should be constructed so that when the flag is removed there is not a trip hazard remaining. Benches require upkeep and maintenance. Wooden benches should

be in a condition that will not cause splinters when sitting on them and if you are painting them, please barricade them in a fashion that will keep the public from sitting on the wet finish until you know it is completely dry. Planters should be of appropriate size to prevent the public from tripping over them. A small backyard planter is beautiful in your personal yard but not appropriate for the public right of way. And who would think a sign could cause someone to be injured. They require upkeep as well and when a sign is removed or damaged make sure the base of the pole or pole holder is not protruding above sidewalk level. The bolts on the sign itself need to be securely fastened so as to not allow the sign to fall onto a pedestrian or even a passing vehicle.

The City is not always the party responsible for placing these hazards on the City walkways.



Adjacent property owners, both commercial and private, are placing items on your walkways in an effort to make their property more attractive. They are on your walkway and although an argument could be made that the adjacent property owner caused the hazard, it remains your walkway. If the City is aware of such hazards placed on their walkways, the City has a duty to make sure the hazard is removed or repaired to ensure the safety of their own walkways

These seem to be silly examples of hazards but we are taking them from actual claims we have handled on behalf of our Members. Take a look at your walkways and if there is something placed on or constructed onto your sidewalks, you have a duty to maintain them and keep your walkways safe for the public.

The other issue that we frequently find is communication within the City departments, or should I say, lack of communication. If an employee within a department notices a potential hazard they need to communicate that potential hazard to the appropriate department so that the potential hazard can be inspected and dealt with accordingly. Your employees should know who to call to report potential hazards. If your employees are aware of a possible problem and fail to report it, they could create liability for the City based on constructive notice. ■

# Claims Corner

By Ann Komac, *Claims Manager* and Thomas B. Danenhower, *Risk Management Specialist*

**E**arly return to work, temporary alternative work, light duty employment, and transitional employment are all terms used when an employer agrees to allow an injured worker to return-to-work following an on-the-job injury when there are physical restrictions which prevent their return to full duty. Although many Montana Municipal Interlocal Authority (MMIA) members do not have specific guidelines or policies covering these situations, those members who do often are able to head off issues that arise regarding early return-to-work programs and in many cases, reduce claim costs. Research shows that employees who are off work for longer than three months have a less than 50% chance of returning to their time of injury job.

A Montana Department of Labor study recently showed that on a claim lasting 2.5 years, the average claimant had lost nearly \$45,000 in wages and benefits. Since benefits are calculated based on time of injury wages, lost time claimants do not get the benefit of raises or promotions. In short, workers' compensation is a reasonable way to get employees as healthy as possible and back to work, but can be costly to the injured worker. To avoid good employees getting discouraged and possibly developing "disability syndrome", it is important to stay in regular contact with the injured employee and assure that they are in regular contact with their claim examiner so their needs are being met. In addition, MMIA members may want to consider having claims guidelines or policies that establish timeframes for light duty or temporary alternative work.

Some MMIA members have established policies setting specific lengths of time they will offer light duty employment to injured workers. Light duty employment is meant to be temporary, not permanent. If it is determined an injured worker has permanent physical restrictions as a result of their injury and cannot return to their time of injury employment, they can be eligible for rehabilitation and/or retraining into another career. In this way an employee is treated as fairly as possible and not left dangling in uncertainty, and MMIA members can move on in terms



## Early return-to-work programs can help employees gain the strength and confidence needed to return to their time of injury job.

of staffing issues associated with early return-to-work programs. Early return-to-work programs can help employees gain the strength and confidence needed to return to their time of injury job. These programs can reduce the length of lost time on claims. If you would like more information on MMIA's observations concerning early return-to-work programs, please contact Ann Komac at [akomac@mmia.net](mailto:akomac@mmia.net) or Thom Danenhower (see below).

Speaking of early return-to-work strategies, the new statewide WorkSafeMT workplace safety initiative has a major goal of improving Montana's early return-to-work programs along with the other major strategic goal of improving Montana's workplace safety culture. Montana is an unsafe place to work with an injury rate of 6.2 (this rate is approximately based on lost time injuries per

100 employees per year). The national rate is 4.3. Montana also far exceeds the national average in terms of the length of lost time injury claims.

Montana also has some of the lowest benefits around for employees who need to use the system. MMIA sits on the WorkSafeMT Board of Directors and is part of the Executive Committee. By modeling the program after the highly successful WorkSafeBC (Based in British Columbia, Canada) and using targeted interventions and social marketing strategies, WorkSafeMT hopes to greatly enhance workplace safety and reduce workplace injuries and lengthy lost time claims. For more information and to download the program strategic plan, go to [www.worksafemt.com](http://www.worksafemt.com) or contact Thom Danenhower at MMIA, (800) 635-3089 or [tdanenhower@mmia.net](mailto:tdanenhower@mmia.net). ■



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## Calendar of Events

**July 3-4** Independence Day holiday

**August 20** Employee Benefits Committee Meeting, Helena  
**21** Board of Directors Meeting, Helena

**September 7** Labor Day holiday  
**28** GEM Board of Directors meeting

**October 7** MMIA Board of Directors meeting, Great Falls  
**7-9** Montana League of Cities and Towns annual conference, Great Falls  
**8** MMIA Annual Meeting, Great Falls

**November 20** MMIA Board of Directors meeting, Helena

