

SUN VALLEY
AIR SERVICE BOARD

Air Service Board Agenda
February 13, 2014
2-4 pm
Hailey City Hall

CALL TO ORDER

REMARKS from the Chair

REMARKS from the Board

OPEN SESSION FOR GENERAL PUBLIC COMMENTS (comments only on matters not pertaining to today's agenda)

CONSENT AGENDA

- CA 2:10 pm Motion to approve Minutes of Air Service Board's January 23, 2014 meeting.....Tab 1
- CA Motion to authorize Resolution 2014-01, approving Air Service Board By-Laws, as revised following Board review of draft by-laws during the January 23, 2014 meeting.Tab 2

PUBLIC HEARING

- PH 2:15 pm Consideration and adoption of proposed Air Service Board Budget for FY 2014, which is a limited budget for the expenditure of LOT revenues received by the ASB for taxes payable from the period 1/1/14 thru 9/30/14.Tab 3
- PH 2:35 pm Consideration and adoption of limited-time contract with Fly Sun Valley Alliance for air service development services including maintaining and expanding commercial air service to the local area through the use of Minimum Revenue Guarantees or other inducements to providers and all ancillary costs which are associated with the ongoing effort to maintain and expand commercial air services. Scope of Work and budget to be presented by FSVATab 4
- PH 3:15 pm Consideration and adoption of limited-time contract with Sun Valley Marketing Alliance for promotion of existing for air service(s) and future service to ensure significant enplanements. Scope of Work and budget to be presented by SVMA.Tab 5

OLD BUSINESS

- OB 3:50 pm Discussion and possible action regarding selection of ICRMP for the provision of insurance services.Tab 6
- OB 4:00 pm Consideration of bids on web site design. (Bids will be brought to the meeting)

EXECUTIVE SESSION Pursuant to Section 9-340D(1) and 9-340D(6) to discuss a matter that pertains to the expansion of business operations and trade secrets.

ADJOURN

Sun Valley Air Service Board
Meeting Minutes
January 23, 2014
Hailey City Hall Meeting Room 2-4 pm

Present: Dewayne Briscoe – Mayor, City of Sun Valley
Fritz Haemmerle – Mayor, City of Hailey
Nina Jonas – Mayor, City of Ketchum

Absent:

Staff Present: Ketchum – Lisa Horowitz
Sun Valley – Susan Robertson
Hailey – Heather Dawson

1) *Welcome and Introductions:*

[2:04:00 PM](#) The meeting was called to order by Hailey Mayor Fritz Haemmerle.

2) *Purpose of Air Service Board*

[2:04:30 PM](#) Lisa Horowitz opened with a Powerpoint presentation. Horowitz gave a brief overview of the board including functions and duties of the board.

[2:08:41 PM](#) marketing timeline over the next few months

3) *Review of Draft Bylaws and Election of Officers*

[2:09:12 PM](#) Review of bylaws and election of chair. Jonas has no comments re: the bylaws.

[2:09:40 PM](#) Dewayne Briscoe gives some comments regarding 3.3

Mayor Haemmerle asked Mayor Briscoe to give his suggested bylaws changes to staff and asked staff to present them at the next board meeting.

[2:11:06 PM](#) Haemmerle addresses broader issues, non-voting board member, Larry Schoen does not expect to fill an officer position on the board. After some conversation, the board agrees to rotate officer rolls every year, progression of duties and maybe elect positions after that.

[2:13:59 PM](#) Jonas nominates Briscoe as chairman, motion seconded by Haemmerle, motion unanimous with roll call vote.

[2:15:04 PM](#) Briscoe nominates Haemmerle as vice-chairman, motion seconded by Jonas. Motion unanimous with roll call vote.

[2:15:22 PM](#) Haemmerle nominates Jonas as Secretary/Treasurer, seconded by Briscoe, motion unanimous with roll call vote.

4) Review of 2014 Revenue Projections and Draft Budget

[2:15:57 PM](#) Susan Robertson, Sun Valley City Administrator spoke to the board. Robertson reported that as a starting point, the team gathered all cities existing cash flow to project future cash flow, and can expect 1.5 million revenue from the 1% Local Option Tax increase during this first year. All entities have looked at the costs associated with support, expect \$73,000 initially. Likely this expense will fluctuate over time. Robertson then presented the draft for the remainder of FY 2014. Total draft budget is \$1,577,849 for contracts for services take up the largest portion of this budget at \$1,485,000. Robertson added that the board would need to open a bank account (likely realize monthly fees) and obtain insurance from ICRMP. \$81,349 would be the fund balance for next year's budget.

[2:24:42 PM](#) Larry Schoen asked if the budget exceeds the cash flow in the period by two months' revenue. Robertson responds to Schoen's question, saying revenue receivables are shown in the year they are earned. In this case, goal is to have a positive cash balance after the audit.

5) Administrative Discussion/Action

(Meeting Schedules, Staff Roles, Budget, Website, Insurance)

[2:28:33 PM](#) Next meeting date is Thursday February 13th, 2014 from 2-4 pm at Hailey City Hall, 115 Main Street South. Board discussed rotating sites to share in the minutes taking and administration. Both Ketchum and Sun Valley have offered to host future meetings.

[2:31:59 PM](#) Lisa Horowitz asks if the board has any questions.

Jonas asked a question about legal fees. Robertson explained how the cities plan to use rotating staff assignments except in large legal matters. Haemmerle proposed that a 3rd party attorney be solicited by way of RFQ, then select from that process.

[2:36:14 PM](#) Robertson passed out a document, re: insurance from Idaho Counties Risk Management Program (ICRMP) for this group. The board reviewed the document as Robertson explained its contents. This is a general insurance provision package, cost is \$1,000 for the first year. Approx. cost for 2014 year would be prorated at \$700.

[2:39:23 PM](#) Larry Schoen voices his concern over the risk policy. Blaine County is concerned about incurring risk but without a vote.

Haemmerle suggests that everyone get a copy of the proposed insurance policy and for the cities and county to review for completeness. Then all will review it for the next meeting.

[2:42:39 PM](#) Lisa Horowitz gave ideas on website, will give the board a proposal at next meeting.

[2:45:07 PM](#) Budget overview provided by Robertson earlier in this meeting. Robertson asks the board if they want to make any revisions to the budget. Rule of thumb is a 10% fund balance, but there are no employees in this structure, so there is a potential for less fund balance.

[2:47:28 PM](#) Haemmerle gives his thoughts, spend the money wisely, don't spend it and hope that they will come. Anticipate \$260,000 in March, proceeds from January 2014.

Schoen gives his thoughts on spending the money, his concern is the cash flow, we won't have 1.5 million in the bank by the end of the fiscal year. In the first year, we will be waiting for the funds.

[2:53:30 PM](#) Haemmerle is in agreement with Schoen, we pay as we go, don't spend what we don't have yet.

Robertson talks to these comments. We have to set contracts and will have funds in the bank, enough to make contracts in June.

[2:55:29 PM](#) Jonas suggests a quarterly contract as a compromise. Haemmerle clarifies his comment, we have the state fiduciary responsibility to spend only the funds that we have.

Robertson would like the board to adopt a prelim budget. Then discussion ensues on whether or not the budget should have been noticed as a Public Hearing.

[2:57:35 PM](#) **Haemmerle moves to approve the tentative budget, motion seconded by Jonas.**

Susan Robertson asked if the board needs to publish this as a public hearing item. After some discussion, board decided to set item as public hearing for next meeting.

Public comments:

[2:59:28 PM](#) Dick Fenton thinks the contracts / budget concerns discussed by the board tonight can be addressed within each contract.

After staff comments the board decides to withdraw motion. **Haemmerle withdraws motion to approve budget and consider at next meeting, Jonas withdraws her second. Motion passes with roll call vote.**

[3:01:40 PM](#) Horowitz asked about the process around contracts for services, asks for the boards input.

Haemmerle thinks it should be an open bidding process, Jonas concurs. Schoen asks what the criteria is that they will. Horowitz suggests a limited scope of service contract given the limited time before summer to get contracts in place.

6) [3:05:46 PM](#) *break*

[3:14:55 PM](#) reconvene meeting by Briscoe

7) *Presentations by Air Service and Marketing Organizations*

[3:15:22 PM](#) Carol Waller, with the Fly Sun Valley Alliance (FSVA) gave a presentation to the Air Service Board. Waller gives an overview of the FSVA board, including negotiating contracts and fares. FSVA also provides support to the airlines to ensure customers have good experiences, new development, research, and fundraising. Waller then gave some milestones achieved by the FSVA, LA air service began because of getting a grant in 2002. Sun Valley is tied at the bottom with Gunnison/Crested Butte, CO. at 4 non-stop flights into our area – need to increase the number of non-stop flights. Waller talks about peers and load rate, we are running similar load rates at similar markets, good news. In peak travel times, load rate is 80-85%.

[3:28:27 PM](#) Haemmerle asks what the letters of credit are. Airlines ask for part of the cash, Minimum Revenue Guarantees (MRG) funds up front.

Schoen wonders if the air service board can pick up the letters of credit in the future. Haemmerle reminds the board that public funds cannot be used for letters of credit.

[3:31:27 PM](#) Briscoe asks a question about busing and diverting flights in bad weather. Briscoe thinks airlines should advertise positively for diversions.

Next presentation from:

[3:35:40 PM](#) Arlene Schieven, Sun Valley Marketing Alliance (SVMA) President presents to board. The SVMA spun out of the dissolution of the Sun Valley Chamber of Commerce. SVMA sole purpose is external advertising, bringing people to the area. Target markets, LA, San Francisco and Seattle. SVMA pulled out of the Boise area for marketing to add the San Francisco market. Schieven discussed the SVMA marketing strategy, its membership, functions

and campaign development process. Schieven covered performance tracking, 2 years ago Washington and California visitors were polled 6% of WA visitors said they would think about traveling to Sun Valley for skiing, only 1% for Californians. Next year, campaign will focus on "Seek." As a close, Schieven shows the Summer 2013 campaign ads.

[3:54:31 PM](#) Schoen believes in and supports this organization.

[3:55:05 PM](#) Haemmerle, asked a question regarding marketing flights and general marketing. Schieven answers the question, and explains the marketing campaign with details, 2 hours away, ski and hotel rates in same ad seem to work.

[3:57:35 PM](#) Briscoe asks how funds from this board will be used in SVMA. Schieven explains their goal. Briscoe announced a sub-committee in February between the cities to find an equitable way to fund SVMA.

[4:00:05 PM](#) Schoen as a commissioner and member of alcohol board, asks Schieven and the SVMA to minimize marketing using alcohol. And then asks, if there are additional funds, is New York a marketing target?

8) *Adjourn*

[4:02:25 PM](#) Haemmerle moves to adjourn, seconded by Jonas. Motion passed with roll call vote.

Dewayne Briscoe, Chairman

ATTEST:

Nina Jonas, Secretary/Treasurer

**SUN VALLEY AIR SERVICE BOARD
RESOLUTION NO. 14-01**

RESOLUTION OF THE SUN VALLEY AIR SERVICE BOARD ADOPTING BYLAWS

WHEREAS, the Sun Valley Air Service Board desires to adopt Bylaws for the conduct of business as called for in the Joint Powers Agreement which established the Board;

WHEREAS, the attached Bylaws have been reviewed by the Board at their January 23rd, 2014 meeting; and

WHEREAS, the attached Bylaws establish reasonable guidelines for the conduct of meetings and other business of the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE SUN VALLEY AIR SERVICE BOARD, The Sun Valley Air Service Board was created and organized pursuant to the Joint Powers Agreement entered into by the Cities of Hailey, Ketchum and Sun Valley and Blaine County dated October 1, 2013. The Air Service Board shall operate under the By-Laws attached hereto as Exhibit "A" in the conduct of its affairs together with all applicable laws of the State of Idaho.

Passed this _____ day of February, 2014.

SUN VALLEY AIR SERVICE BOARD

DeWayne Briscoe, Chair

ATTEST:

Nina Jonas, Secretary

BYLAWS
FOR THE SUN VALLEY AIR SERVICE BOARD

ARTICLE I
PURPOSE

These Bylaws provide direction to the members of the Sun Valley Air Service Board (“Board”) in the performance of their duties pursuant to the Joint Powers Agreement Establishing the Sun Valley Air Service Board to Retain, Improve and Develop Commercial Air Transportation Services at Friedman Memorial Airport (“Joint Powers Agreement”).

ARTICLE II
MEMBERS

2.1 Appointment and Number of Members.

The Board shall consist of no more than three (3) voting members. One member shall be appointed by the Mayor of Ketchum and approved by the Ketchum City Council. One member shall be appointed by the Mayor of Sun Valley and approved by the Sun Valley City Council. One member shall be appointed by the Mayor of Hailey and approved by the Hailey City Council. The Board shall also include a non-voting member selected by the Blaine County Board of County Commissioners.

2.2 Terms, Vacancies and Removal.

Each member of the Board shall serve for a term of one (1) year. Vacancies occurring other than through the expiration of appointed terms shall be filled for the remainder of the term by the entity who appointed the board member. The terms shall be filled in the same manner as original appointments, but replacements shall serve only until the expiration of the original term. Members proposing to resign shall give reasonable notice of such intent to the Chair, stating the effective date of resignation. Removal of any member may only be made by the party that appointed such Board member.

ARTICLE III
OFFICERS, COMMITTEES, STAFF AND DUTIES

3.1 Selection of Officers

All officers shall be voting members. As the first item of business at the first regular meeting of the Board at which a quorum is present, the Board shall elect a Chair, Vice-Chair and Secretary/Treasurer. Unless the Board otherwise decides, officers shall rotate every year thereafter, as follows: The representative of the voting member who was the Chair in the prior year shall be the Secretary/Treasurer in the following year; the representative of the voting member who was

the Vice-Chair in the prior year shall be the Chair in the following year; and the representative of the voting member who was the Secretary/Treasurer in the prior year shall be the Vice-Chair in the following year.

3.2 Succession of Vice Chair to Office of Chair.

Should the Chair resign or be removed, the Vice Chair shall succeed to the office for the remainder of the original one year term. Should the Vice Chair resign, be removed, or succeed to the office of Chair, an election shall be held at the next regular meeting of the Board to fill the vacancy of the Vice Chair until the expiration of the original one-year term. Such an election shall occur at the next regularly scheduled meeting of the Board at which a quorum is available.

3.3 Duties of the Chair and Vice Chair; Appointment of Temporary Chair to Preside at Meetings.

The Chair shall preside at all meetings and hearings and shall execute all contracts and checks approved by the Board. If the Chair is absent or unable to preside, the Vice Chair shall perform the duties of the Chair. If both are absent or unable to preside, the members present shall appoint from among their number a Temporary Chair to perform the duties of the Chair. The Temporary Chair shall abide by all rules and policies set forth herein. The Chair shall maintain order and conduct the meeting with the procedures described in Article VI of these Bylaws. The Chair shall set the agenda for each meeting. The agenda will generally include issues scheduled for review by the Board.

3.4 Duties of Secretary/Treasurer.

The Secretary/Treasurer shall keep the minutes of Board meetings and sign the minutes when approved by the Board. The preparation and retention of the minutes may be delegated to appropriate staff from the cities. The Secretary/Treasurer shall have charge and custody of and be responsible for all funds received by the Board and shall deposit all such monies in such places or places of deposit described in Idaho Code § 50-1013 and as approved by the Board. The Secretary/Treasurer, along with the Chair, shall sign all checks approved by the Board. If the Secretary/Treasurer is absent or unable to perform the duties of the Secretary/Treasurer, the members present shall appoint from among their number a Temporary Secretary/Treasurer.

3.5 Appointment of Committees.

The Chair with the consent of the Board may appoint standing or *ad hoc* committees as may be found necessary to successfully and efficiently carry out the functions of the Board.

**ARTICLE IV
CONDUCT OF BOARD MEMBERS**

Any member of the Board shall not be appointed or remain a member of the Board if the member or a person in the member's household is an employee, director, shareholder, partner, owner and has any financial interest in any business, company or entity which the Board has employed or contracted with to provide equipment or services.

**ARTICLE V
MEETINGS**

5.1 Meetings.

Meetings of the Board will be held at such time and place as is established by the Board. Notice of meetings and agenda notices shall be posted in accordance with Idaho Code § 67-2343, as amended.

5.2 Open to the Public.

All meetings of the Board are open to the public, unless otherwise provided in Idaho Code § 67-2345, as amended.

5.3 Cancellation.

If no business is scheduled before the Board, or if it is apparent that a quorum of the Board will not be available, the Chair may cancel any meeting by giving notice to all members and presenters not less than 48 hours before time set for such meeting.

5.4 Quorum.

A quorum of the Board shall consist of a simple majority of voting members. As a non-voting member, the Blaine County member shall not be considered a member for quorum purposes. An affirmative vote of a simple majority of the present members of the Board shall decide all matters under consideration. The Chair may vote on all matters.

5.5 Agenda, Order of Business.

The Chair shall prepare an agenda for each Board meeting. Order of business shall be as follows:

1. Call to Order
2. Approval of Minutes
3. Old Business
4. New Business

- 5. Reports
- 6. Adjourn

5.6 Records of Proceedings.

Each meeting of the Board shall be recorded and minutes shall be made, which shall be approved at subsequent meetings of the Board.

**ARTICLE VI
MEETING PROCEDURES**

6.1 Voting.

The members of the Board shall take action upon the affirmative vote of those members holding more than 50% of the voting rights, unless otherwise provided herein. A super majority of two-thirds of the voting rights shall be needed to (1) approve any initial contract for services with an entity or contractor or change an entity or contractor with a contract for services in excess of \$50,000 to a different entity and/or contractor; and (2) approve any initial performance metrics and change in performance metrics determined jointly by members of the board and contractor(s) as identified in the contracts for services.

6.2 Annual Allocation of Voting Rights.

The allocation of voting rights shall be determined on an annual basis beginning in January 2014, and continuing each and every January thereafter. Ninety percent (90%) of the voting rights shall be allocated to the voting members based on their respective annual 1% LOT contributions to the Board. The allocation shall use each city's year ending September 30 total fiscal year actual LOT revenue collection on taxable sales described in the each city's ballot question approved by each city's electorate. As set forth in the Joint Powers Agreement, the remaining ten percent (10%) of the voting rights shall be allocated to Hailey. For calendar year 2014, the voting rights shall be 49.86% for Ketchum, 35.10% for Sun Valley and 15.04 for Hailey. Voting rights for 2014 were calculated and for future calendar years shall be calculated as follows:

Total LOT collected in FY13

Ketchum	\$1,774,378
Sun Valley	\$1,248,522
Hailey*	\$ 180,385
Total	\$3,203,285

* (collected on lodging and car rentals)

Percent of total LOT collected

Ketchum	55.4%
Sun Valley	39.0%
<u>Hailey</u>	<u>5.6%</u>
Total	100%

Each city's percentage of total LOT multiplied by 90%

Ketchum	$(.554 \times .9) = 49.86\%$
Sun Valley	$(.390 \times .9) = 35.10\%$
<u>Hailey</u>	<u>$(.056 \times .9) = 5.04\%$</u>
Total	90.00%

Each city's voting rights (add 10% to Hailey's rights)

Ketchum	49.86%
Sun Valley	35.10%
<u>Hailey</u>	<u>$5.1\% + 10\% = 15.04\%$</u>
Total	100.00%

6.3 Motions.

- a. All actions and decisions of the Board are formalized by the process of making and voting on motions. After deliberation, a motion shall be made and seconded. Further deliberation may occur once a motion is made and seconded. The Chair shall ask for a motion and vote. Those members in favor of the motion say "aye"; those members opposed to the motion say "no".
- b. After a motion is made and there has been discussion on the motion, if an amendment has been suggested and discussed, then a motion to amend the motion is required. A motion should be amended as follows:
 1. A member makes a motion to amend stating the amendment.
 2. A member seconds the amendment.
 3. The Chair asks for a vote on the amendment.
 4. If amendment carries, the Chair then asks for a vote on the "entire motion as amended."
 5. If amendment fails, the Chair asks for a vote on the "original motion."
- c. If a motion has been voted on and the motion needs to be withdrawn, then a motion to withdraw the approved motion is required. A motion should be withdrawn as follows:
 1. A member makes a motion to withdraw stating what motion is being withdrawn.
 2. A member seconds the motion to withdraw.
 3. The Chair asks for a vote on the motion to withdraw.
 4. If the motion to withdraw carries, then a new motion can then be made, seconded and voted on.

d. If a motion has been voted on and if voting members believe it is appropriate to reconsider the motion, then a motion for reconsideration is required at the next scheduled meeting of the Board. A motion for reconsideration should be made as follows:

1. A member who voted on the prevailing side of the motion in question has to make a motion for reconsideration stating what motion is being reconsidered.
2. A member who voted on the prevailing side of the motion in question has to second.
3. The Chair asks for a vote on the motion for reconsideration.
4. If the motion for reconsideration carries, deliberation can then occur on the matter and a new motion can be made, seconded and voted on.

6.3 Roberts Rules of Order.

Robert's Rules of Order shall govern all other procedures and conduct at a meeting of the Board.

**ARTICLE VII
BUDGETING**

The fiscal year of the Board shall commence on October 1. The Board shall annually adopt a budget consistent with the Joint Powers Agreement.

**ARTICLE VIII
RECORDS**

The Board shall comply with the provisions of the Public Records Law set forth in Idaho Code §§ 9-337 through 9-347, as amended.

**ARTICLE IX
AMENDMENT OF BYLAWS**

The Bylaws may be amended from time to time by a majority vote of the voting members. The Bylaws may be amended so as not to be inconsistent with or contrary to the Joint Powers Agreement or any applicable local, state or federal law.

The foregoing Bylaws were adopted by motion of the Board of Directors on the ____ day of February, 2014.

ATTEST;

By: _____
Chair

By: _____
Secretary

SUN VALLEY AIR SERVICE BOARD BUDGET - DRAFT 1/16/14

	2011	2012	2013	2013	2013	2014	2014	% CHANGE
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	PROPOSED	+/-	2013/2014
						BUDGET	2013/2014	2013/2014
REVENUES								
10-xxxxx	0	0	0	0	0	49,627	49,627	n/a
10-xxxxx	0	0	0	0	0	1,191,437	1,191,437	n/a
10-xxxxx	0	0	0	0	0	336,085	336,085	n/a
10-xxxxx	0	0	0	0	0	700	700	n/a
10-xxxxx	0	0	0	0	0	0	0	n/a
24-49300	0	0	0	0	0	0	0	n/a
TOTAL REVENUE								
	0	0	0	0	0	1,577,849	1,577,849	n/a
EXPENDITURES								
10-xxxxx	0	0	0	0	0	1,485,000	1,485,000	n/a
10-xxxxx	0	0	0	0	0	1,000	1,000	n/a
10-xxxxx	0	0	0	0	0	2,500	2,500	n/a
10-xxxxx	0	0	0	0	0	5,000	5,000	n/a
10-xxxxx	0	0	0	0	0	1,000	1,000	n/a
10-xxxxx	0	0	0	0	0	1,000	1,000	n/a
10-xxxxx	0	0	0	0	0	1,000	1,000	n/a
10-xxxxx	0	0	0	0	0	81,349	81,349	n/a
TOTAL INSPECTION OPERATING								
	0	0	0	0	0	1,577,849	1,577,849	n/a
BEGINNING FUND BALANCE								
	0	0	0	0	0	0	0	
ENDING FUND BALANCE								
	0	0	0	0	0	81,349	81,349	

AIR SERVICE BOARD - ESTIMATED 2014 CASH FLOW

1% LOT Generated	1% LOT Received	Communities'			TOTAL	Air Service Board Administrative Expenses	Air Service Contract Expenses	Air Service Marketing Contract Expenses	Net	Cash Flow
		Sun Valley	Ketchum	Hailey						
Jan-14	Mar-14	\$31,923	\$225,511	\$6,538	\$263,972	-\$1,938			\$251,522	\$0
Feb-14	Apr-14	\$37,760	\$141,886	\$4,423	\$184,069	-\$438			\$173,119	\$251,522
Mar-14	May-14	\$37,733	\$145,532	\$4,917	\$188,182	-\$438			\$177,232	\$424,641
Apr-14	Jun-14	\$12,951	\$139,282	\$2,484	\$154,717	-\$438	-\$300,000	-\$200,000	-\$356,233	\$601,873
May-14	Jul-14	\$14,724	\$73,972	\$2,261	\$90,957	-\$438	-\$100,000	-\$100,000	-\$119,993	\$245,640
Jun-14	Aug-14	\$32,989	\$75,554	\$4,165	\$112,708	-\$1,438	-\$100,000	-\$100,000	-\$99,242	\$125,647
Jul-14	Sep-14	\$76,315	\$114,560	\$10,947	\$201,822	-\$6,938	-\$100,000	-\$100,000	-\$15,628	\$26,405
Aug-14	Oct-14	\$56,239	\$175,691	\$10,438	\$242,368		-\$100,000	-\$100,000	\$42,368	\$10,778
Sep-14	Nov-14	\$40,777	\$166,278	\$4,886	\$211,941		-\$200,000	-\$65,000	-\$53,059	\$53,146
	Direct Costs:	-\$5,326	-\$66,829	-\$1,432	-\$73,587		-\$900,000	-\$665,000	\$87	\$87
		\$336,085	\$1,191,437	\$49,627	\$1,577,149	-\$12,063				

SUN VALLEY
AIR SERVICE BOARD

CONTRACT FOR SERVICES
BETWEEN THE
SUN VALLEY AIR SERVICE BOARD
AND
SVMA

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this 13th day of February, 2014, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and the Sun Valley Marketing Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c)(6) designation, (hereinafter referred to as "SVMA").

RECITALS

1. The ASB is a duly organized and existing Joint Powers Authority organized as a separate legal entity under the laws of the Idaho Code §§ 67-2328 et seq. The ASB is made up of the following entities (hereinafter referred to as "Component Members"):

- a. The City of Sun Valley, Idaho
- b. The City of Ketchum, Idaho
- c. The City of Hailey, Idaho
- d. Blaine County, Idaho [non-voting]

2. SVMA is an Idaho non-profit corporation with an IRS 501(c)(6) designation engaged in the business of domestically and internationally marketing the Sun Valley, Idaho resort area as a destination resort as further described in Exhibit A.

3. Pursuant to Idaho Code § 67-2328, 50-301 and § 50-302, the ASB is empowered to enter into contracts and take such steps as are reasonably necessary to maintain the peace, good government and welfare of the Component Members and their trade, commerce and industry. Accordingly, the ASB has the power as conferred by the State of Idaho, to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic well-being of the ASB's Component Members.

4. The following ordinances have been adopted by certain Component Members, by each individual Component Member (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees or other inducements to

SUN VALLEY
AIR SERVICE BOARD
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providers; b) promoting and marketing the existing service and any future service to increase passengers; c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to flight diversion(s); and d) direct costs to collect and enforce the tax, including administrative and legal fees.:

- a. Sun Valley Ordinance No. 456.
- b. Ketchum Ordinance No. .
- c. Hailey Ordinance No. 1133.

5. The primary reason for the ASB to enter this Contract is to effectuate the purposes of the local option taxes and Component Member ordinances recited above.

6. SVMA is to provide air service marketing services to promote air travel to and from Friedman Memorial Airport.

7. The organizational goals of SVMA are consistent with the purposes and findings of the ordinances recited above.

8. It is the intention of the ASB to contract with SVMA to provide such services for consideration as hereinafter provided.

9. SVMA desires to enter into a contract with the ASB to provide air services marketing services all as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, it is agreed by and between the ASB and SVMA as follows:

- 1. All Recitals above are incorporated herein by reference.
- 2. Services. SVMA agrees to provide air service marketing services to the ASB consisting of marketing goals and objectives; creative strategy; media purchase; campaign assets and public relations efforts in air service markets, including key monitoring and tracking of advertising efforts to ensure effectiveness, and as more particularly set forth in Exhibit A, which is incorporated herein by reference.
- 3. Expenses. SVMA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.

SUN VALLEY
AIR SERVICE BOARD

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4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate one year from the commencement day, which is _____. This contract may be amended to increase the length of the term if so determined by the parties.
5. Consideration. In consideration for providing the services herein described the ASB agrees to pay to SVMA the total sum of _____ (\$665,000), payable in **monthly/quarterly** installments no later than the _____ day of each **month/quarter**. SVMA will provide the ASB each **month/quarter** during which SVMA performs services hereunder with an invoice setting forth the amount of the installment due for each **month/quarter**; the SVMA shall pay SVMA the amount set forth in such invoice no later than thirty (30) days after the date of such invoice, **Option A**: but in no case shall the payment cause the minimum cash flow to drop below a minimum of cash flow balance of \$87,000 as shown on Exhibit C; or, **Option B**: or in an amount not to exceed 45% of the ASB unspent accumulated revenue, whichever is less.
6. Reporting Requirements. In consideration and as part of this Contract SVMA agrees to
- provide to the ASB:
1. Written and in-person presentations seasonally (semi-annually) outlining program results and plans for the upcoming season;
 2. Written semi-annual progress reports towards annual performance metrics specified in Exhibit B which is incorporated herein by reference;
 3. Semi-annual reports will be based on the government fiscal year of October 1st to September 30th.
- ii.
7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to SVMA with or without cause. The ASB recognizes that the SVMA has made significant financial commitments (e.g. vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to SVMA under this Contract at the end

SUN VALLEY
AIR SERVICE BOARD
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of the 90 day period. The ASB has at all times the right to request an independent audit under the provisions herein upon termination, and such audit obligation and cost on the part of SVMA shall survive any termination of this Contract.

8. Equal Employment Opportunity. SVMA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin.
9. Independent Contractor Status. The parties acknowledge and agree that SVMA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. SVMA shall create, direct, and control its own means and methods of performing this Contract. SVMA and its agents, members, employees, and volunteers, shall not accrue leave, retirement, insurance, bonding, or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by SVMA in a competent, efficient and satisfactory manner.
10. Hold Harmless Agreement. Any contractual obligation entered into or assumed by SVMA, or any liability incurred by reason of personal injury and/or property damage in connection with or arising out of SVMA's obligations pursuant to this Contract shall be the sole responsibility of SVMA, and SVMA covenants and agrees to indemnify and hold the ASB and its Component Members harmless from any and all claims or causes of action arising out of SVMA's activities and obligations as set forth hereinabove, including, but not limited to, personal injury, property damage, and employee complaints.
11. Non-Assignment. This Contract may not be assigned by or transferred by SVMA, in whole or in part, without the prior written consent of the ASB.
12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of said dispute in Blaine County, Idaho. If mediation is unsuccessful then the dispute shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.

SUN VALLEY
AIR SERVICE BOARD
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13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover his/her reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.
14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract. The terms of this Contract are contingent upon sufficient appropriations being made by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by SVMA. ASB's decision as to whether sufficient appropriations are available shall be accepted by SVMA and shall be final.
15. Miscellaneous Provisions.
- a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Contract or any of the provisions of the Contract.
 - b. Provisions Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.
 - c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Contract are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
 - d. Successor and Assigns. This Contract and the terms and provision hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.
 - e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and

SUN VALLEY
AIR SERVICE BOARD
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supersedes all prior agreements between the parties hereto respecting such matters.

- f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.
- g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.
- h. No Waiver. No waiver of any breach by either party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.
- i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the parties.
- j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:
 - a. ASB: _____
 - b. SVMA: _____

SUN VALLEY
AIR SERVICE BOARD

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IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first set forth above.

Signatures:

Dated: _____	The Sun Valley Air Services Board, an Idaho Joint Powers Authority By: _____ Its: _____
Dated: _____	SVMA, An Idaho Non-Profit Corporation By: _____ Its: President

Exhibit A



GENERAL SCOPE OF WORK

Mission

To raise awareness of Sun Valley and increase visitor traffic from our target markets.

Organizational Structure

Sun Valley Marketing Alliance, Inc. DBA Visit Sun Valley is an Idaho non-profit 501c(6) corporation. The board of directors is made up of 5 directors representing the City of Ketchum, the City of Sun Valley, the Sun Valley Resort, an at-large director, and a member-elected director. There are 4 permanent staff members and 3 part-time visitor center agents.

Scope of Work

Visit Sun Valley currently has a contract for services with the City of Sun Valley and the City of Ketchum to undertake the strategic marketing for the area. Funding is also received from the Idaho Travel Council and the membership. The overall scope of work includes:

- **Strategic Marketing:** The current geographic target markets reflect the markets where we have direct air access: Los Angeles, Seattle and San Francisco. If budget allows, the regional market will also be included. Strategic Marketing includes advertising, public relations, social media, partnerships and promotions. All of the marketing efforts drive to the official website for the area, www.visitsunvalley.com. Visit Sun Valley coordinates the following annual marketing campaigns as the budget allows:
 - Winter (alpine focus)
 - Nordic
 - Summer (arts and recreation focus)
 - Mountain Biking
 - Events (regional).
- **Research:** Visit Sun Valley manages the area's occupancy reporting, maintains a visitor volume estimation model, and undertakes primary research in key target markets.
- **Membership:** Visit Sun Valley represents approximately 300 member businesses in Ketchum, Sun Valley, Hailey, and the surrounding areas.
- **Visitor Services:** Visit Sun Valley manages the Visitor Information Center and provides in-person assistance to visitors 365 days per year. Visit Sun Valley also responds to visitor queries via Live Chat and Contact Us forms and manages the website and mobile site.





- **Public Relations:** Visit Sun Valley works closely with the Sun Valley Resort, the Idaho Travel Council and member businesses to coordinate media visits to the area and encourage coverage of the Sun Valley area. Visit Sun Valley also creates and distributes press releases.
- **Social Media:** Visit Sun Valley manages several social media properties including Facebook, Instagram, Twitter, and a blog. Social media is used to inspire potential visitors to learn more about the area and to drive visitation to the website.

SCOPE OF WORK FOR AIR SERVICE MARKETING

As indicated in the general scope of work, Visit Sun Valley's core funding allows for all of the base functions to be performed and covers all overhead and staff costs. Therefore, any incremental funds from the new 1% will be put directly into external marketing for the air service markets as detailed below. The bulk of the funds will be allocated directly to incremental advertising (shown in bold below) since the core budget also contributes to the activities listed below (such as social media, website, photography and video, etc.).

- Summer 2014 and Winter 2014/15 marketing campaigns
 - Creative briefs developed outlining goals and objectives for the campaigns
 - Creative strategy confirmed as per the above brief
 - Campaign assets (photography, video) will be developed in support of the campaign
 - **Media buys will be planned, negotiated, developed, executed and monitored for each target market (Seattle, Los Angeles, San Francisco, Denver and New York) for both summer and winter**
 - PR efforts in support of the direct air service in each of these market
 - Monitoring and tracking of digital advertising buy; adjusting messaging and creative as required throughout the season to optimize results
 - Managing the area website to increase visitation and maximize conversion (bookings via the website or directly with key partners)
 - Leveraging current partners to extend media reach through advertising, PR and Social Media (including the Sun Valley Resort and the Idaho Travel Council).
 - Maximizing the use of Social Media in support of the new flights via our existing social media properties
 - Tracking and reporting results

Key Performance Indicators

The attached spreadsheet identifies the areas that will be tracked and reported to the Air Service Board.





MISSION

Retain, develop and improve air service access to the Wood River Valley and support airport operations, infrastructure and services for the benefit of visitors and residents.

ORGANIZATIONAL STRUCTURE

Fly Sun Valley Alliance is an Idaho non-profit 501c(6) corporation. The volunteer board of directors is made up of private sector business and organization members, as well as public sector representatives from Friedman Memorial Airport Authority, the cities of Hailey, Ketchum, Sun Valley and Blaine County.

SCOPE OF WORK

Secure & Manage SUN Air Service

Currently includes Alaska Airlines, United Airlines and Delta Air Lines flights

- Negotiate airlines (in partnership w/SVR) air service contract terms, as applicable :
 - Specific operating season and schedules
 - MRG cap amount; analysis of cost per flight & projected revenues
 - LOC requirements
 - Weather diversion bussing provisions
- Monitor bookings on weekly basis; cost & revenue monthly, as applicable
- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare adjustment discussions with airlines where appropriate
- Assist with overall coordination marketing & promotion of flights with airlines and local/state partners (Partners: Sun Valley Resort, SV Marketing Alliance, local businesses & events, Idaho Tourism)

Other air service support

- Work with FMAA on leakage analysis and reduction strategies, fare analysis & monitoring, service expansion opportunities,
- Maintain relationships with industry partners/contacts: airlines, consultants, officials, air service program directors in other areas,
- Assist with customer service issues at SUN as feasible

New air service development

- Research/identify opportunities for new service; provide economic/demographic analyses of our market to prospective airlines
- Attend national industry conferences to meet with prospective airlines
- Pursue federal grants for new air service support
- Keep abreast of new air service development nationally and within our competitive set (Rocky Mtn resort areas, regionally, etc)

Research

- Implement/collect 1000+ air passenger surveys at SUN each winter & summer
 - to determine travel trends, demographics, economic impact
- Monitor monthly enplanement, seat occupancy data, other air service data

Community Outreach/Education on Air Service

- Maintain FSVA website, www.flysunvalleyalliance.com with information on SUN air service, economic impact studies, etc.
- Ongoing communications via Enews, social media, meetings, presentations
- Local marketing/PR re: air service news, fare deals, other

KEY PERFORMANCE METRICS

RETAIN & EXPAND CURRENT AIR SERVICE: Retain contracted nonstop SEA, LAX, SFO flights

NEW AIR SERVICE: Pursue at least one new non-stop market flight for 2014.15

MINIMIZE AIR SERVICE CONTRACT COSTS: Work with airlines & marketing partners to increase load factors & minimize air service contract costs. Work with airlines to make SUN fares as competitive as possible.

RESEARCH: Conduct 1000+ air passenger surveys at SUN; continue with competitive analysis, economic impact and air service ROI research.

Measure	Actuals@ 9.30.12	Actuals @ 9.30.13	Target for 9.30.14	Target increase (% or pts)	Actuals YTD	Progress towards target	Source of Measurement
1. Sales Indicators							
Local Option Tax - SV/Ketchum	2,978,563	3,022,900	3,083,358	2.00%			City data
Add'l 1% LOT	N/A	N/A	1,011,000	N/A			Fly Sun Valley Projections
Skier Visits	382,128	386,782	404,000	4%			SVR - target to reflect SVR goals
Winter Occupancy - Dec 15 to Mar 31st	N/A	56%	58%	+ 1 point			Member Hotels
Summer Occupancy - June 7 to Sept 19th	66%	62%	65%	+3 points			Member Hotels
Total Enplanements	49,100	51,392					Fly Sun Valley
Estimated # of Visitors	N/A	TBD					Various - compiled by VSV
2. Brand Engagement							
Facebook Fans	39,500	51,750	60,000	16%	53,355	YTD +3%	Internal
Twitter Followers	2500	3,600	4,500	25%	4,300	YTD +19%	Internal
Instagram	300	980	1,300	33%	1,100	YTD + 12%	Internal
Website Visits	185,183	222,539	240,000	8%	52,968	YTD + 21%	Google Analytics
3. Brand Awareness							
Share of Mind - California Skiers	1%	N/A					Survey Sampling International
Share of Mind - Washington Skiers	9%	N/A					As above
4. Internal							
Membership	242	304	350	15%	244	70% of target	Internal

AIR SERVICE BOARD - ESTIMATED 2014 CASH FLOW

1% LOT Generated	1% LOT Received	Communities'				TOTAL	Hailey	Ketchum	Air Service Board Administrative Expenses	Air Service Contract Expenses	Air Service Marketing Contract Expenses	Net	Cash Flow
		Sun Valley	Ketchum	Hailey	TOTAL								
Jan-14	Mar-14	\$31,923	\$225,511	\$6,538	\$263,972						\$251,522	\$0	
Feb-14	Apr-14	\$37,760	\$141,886	\$4,423	\$184,069			-\$1,938			\$173,119	\$251,522	
Mar-14	May-14	\$37,733	\$145,532	\$4,917	\$188,182			-\$438			\$177,232	\$424,641	
Apr-14	Jun-14	\$12,951	\$139,282	\$2,484	\$154,717			-\$438	-\$300,000	-\$200,000	-\$356,233	\$601,873	
May-14	Jul-14	\$14,724	\$73,972	\$2,261	\$90,957			-\$438	-\$100,000	-\$100,000	-\$119,993	\$245,640	
Jun-14	Aug-14	\$32,989	\$75,554	\$4,165	\$112,708			-\$1,438	-\$100,000	-\$100,000	-\$99,242	\$125,647	
Jul-14	Sep-14	\$76,315	\$114,560	\$10,947	\$201,822			-\$6,938	-\$100,000	-\$100,000	-\$15,628	\$26,405	
Aug-14	Oct-14	\$56,239	\$175,691	\$10,438	\$242,368				-\$100,000	-\$100,000	\$42,368	\$10,778	
Sep-14	Nov-14	\$40,777	\$166,278	\$4,886	\$211,941				-\$200,000	-\$65,000	-\$53,059	\$53,146	
	Direct Costs:	-\$5,326	-\$66,829	-\$1,432	-\$73,587								\$87
		\$336,085	\$1,191,437	\$49,627	\$1,577,149			-\$12,063	-\$900,000	-\$665,000		\$87	

SUN VALLEY
AIR SERVICE BOARD
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CONTRACT FOR SERVICES
BETWEEN THE
SUN VALLEY AIR SERVICE BOARD
AND
FSVA

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this 13th day of February, 2014, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and Fly Sun Valley Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c)(6) designation, (hereinafter referred to as "FSVA").

RECITALS

1. The ASB is a duly organized and existing Joint Powers Authority organized as a separate legal entity under the laws of the Idaho Code §§ 67-2328 et seq. The ASB is made up of the following entities (hereinafter referred to as "Component Members"):

- a. The City of Sun Valley, Idaho
- b. The City of Ketchum, Idaho
- c. The City of Hailey, Idaho
- d. Blaine County, Idaho [non-voting]

2. FSVA is an Idaho non-profit corporation with an IRS 501(c)(6) designation engaged in the business of domestically and internationally marketing the Sun Valley, Idaho resort area as a destination resort as further described in Exhibit A.

3. Pursuant to Idaho Code § 67-2328, 50-301 and § 50-302, the ASB is empowered to enter into contracts and take such steps as are reasonably necessary to maintain the peace, good government and welfare of the Component Members and their trade, commerce and industry. Accordingly, the ASB has the power as conferred by the State of Idaho, to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic well-being of the ASB's Component Members.

4. The following ordinances have been adopted by certain Component Members, by each individual Component Member (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees or other inducements to

SUN VALLEY
AIR SERVICE BOARD

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providers; b) promoting and marketing the existing service and any future service to increase passengers; c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to flight diversion(s); and d) direct costs to collect and enforce the tax, including administrative and legal fees.:

- a. Sun Valley Ordinance No. 456.
- b. Ketchum Ordinance No. 1108.
- c. Hailey Ordinance No. 1133.

5. The primary reason for the ASB to enter this Contract is to effectuate the purposes of the local option taxes and Component Member ordinances recited above.

6. FSVA is to retain, develop and improve air service access to the Wood River Valley .

7. The organizational goals of FSVA are consistent with the purposes and findings of the ordinances recited above.

8. It is the intention of the ASB to contract with FSVA to provide such services for consideration as hereinafter provided.

9. FSVA desires to enter into a contract with the ASB to retain, develop and improve air service access all as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, it is agreed by and between the ASB and FSVA as follows:

- 1. All Recitals above are incorporated herein by reference.
- 2. Services. FSVA agrees to retain, develop and improve air service access consisting of securing and managing air service into Friedman Memorail Airport; providing other air service support; identifying new air service development; and other related tasks as more particularly set forth in Exhibit A, which is incorporated herein by reference.
- 3. Expenses. FSVA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.

SUN VALLEY
AIR SERVICE BOARD

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4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate one year from the commencement day, which is _____. This contract may be amended to increase the length of the term if so determined by the parties.

5. Consideration. In consideration for providing the services herein described the ASB agrees to pay to FSVA the total sum of _____ (\$900,000), payable in **monthly/quarterly** installments no later than the _____ day of each **month/quarter**. FSVA will provide the ASB each **month/quarter** during which FSVA performs services hereunder with an invoice setting forth the amount of the installment due for each **month/quarter**; the ASB shall pay FSVA the amount set forth in such invoice no later than thirty (30) days after the date of such invoice, **Option A**: but in no case shall the payment cause the minimum cash flow to drop below a minimum of cash flow balance of \$87,000 as shown on Exhibit B; or, **Option B**: or in an amount not to exceed 60% of the ASB unspent accumulated revenue, whichever is less.

6. Reporting Requirements. In consideration and as part of this Contract FSVA agrees to:
 - i. Provide to the ASB:
 1. Written and in-person presentations seasonally (semi-annually) outlining program results and plans for the upcoming season;
 2. Written semi-annual progress reports towards annual performance metrics specified in Exhibit A which is incorporated herein by reference;
 3. Semi-annual reports will be based on the government fiscal year of October 1st to September 30th.

7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to FSVA with or without cause. The ASB recognizes that the FSVA has made significant financial commitments (e.g. vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to FSVA under this Contract at the end of the 90 day period. The ASB has at all times the right to request an independent audit under the provisions herein upon termination, and such audit obligation and cost on the part of FSVA shall survive any termination of this Contract.

SUN VALLEY
AIR SERVICE BOARD

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8. Equal Employment Opportunity. FSVA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin.
9. Independent Contractor Status. The parties acknowledge and agree that FSVA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. FSVA shall create, direct, and control its own means and methods of performing this Contract. FSVA and its agents, members, employees, and volunteers, shall not accrue leave, retirement, insurance, bonding, or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by FSVA in a competent, efficient and satisfactory manner.
10. Hold Harmless Agreement. Any contractual obligation entered into or assumed by FSVA, or any liability incurred by reason of personal injury and/or property damage in connection with or arising out of FSVA's obligations pursuant to this Contract shall be the sole responsibility of FSVA, and FSVA covenants and agrees to indemnify and hold the ASB and its Component Members harmless from any and all claims or causes of action arising out of FSVA's activities and obligations as set forth hereinabove, including, but not limited to, personal injury, property damage, and employee complaints.
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12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of said dispute in Blaine County, Idaho. If mediation is unsuccessful then the dispute shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.
13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover his/her reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

SUN VALLEY
AIR SERVICE BOARD

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14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract. The terms of this Contract are contingent upon sufficient appropriations being made by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by FSVA. ASB's decision as to whether sufficient appropriations are available shall be accepted by FSVA and shall be final.

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- e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.
- f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.

SUN VALLEY
AIR SERVICE BOARD

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- g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.
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SUN VALLEY
AIR SERVICE BOARD

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IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first set forth above.

Signatures:

Dated: _____	The Sun Valley Air Services Board, an Idaho Joint Powers Authority By: _____ Its: _____
Dated: _____	FSVA, An Idaho Non-Profit Corporation By: _____ Its: President



MISSION

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AIR SERVICE BOARD - ESTIMATED 2014 CASH FLOW

1% LOT Generated	1% LOT Received	Sun Valley	Ketchum	Hailey	TOTAL	Communities' Direct Costs	Air Service Board Administrative Expenses	Air Service Contract Expenses	Air Service Marketing Contract Expenses	Net	Cash Flow
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Feb-14	Apr-14	\$37,760	\$141,886	\$4,423	\$184,069	-\$10,512	-\$438			\$173,119	\$251,522
Mar-14	May-14	\$37,733	\$145,532	\$4,917	\$188,182	-\$10,512	-\$438			\$177,232	\$424,641
Apr-14	Jun-14	\$12,951	\$139,282	\$2,484	\$154,717	-\$10,512	-\$438	-\$300,000	-\$200,000	-\$356,233	\$601,873
May-14	Jul-14	\$14,724	\$73,972	\$2,261	\$90,957	-\$10,512	-\$438	-\$100,000	-\$100,000	-\$119,993	\$245,640
Jun-14	Aug-14	\$32,989	\$75,554	\$4,165	\$112,708	-\$10,512	-\$1,438	-\$100,000	-\$100,000	-\$99,242	\$125,647
Jul-14	Sep-14	\$76,315	\$114,560	\$10,947	\$201,822	-\$10,512	-\$6,938	-\$100,000	-\$100,000	-\$15,628	\$26,405
Aug-14	Oct-14	\$56,239	\$175,691	\$10,438	\$242,368	-\$10,512		-\$100,000	-\$100,000	-\$10,778	\$10,778
Sep-14	Nov-14	\$40,777	\$166,278	\$4,886	\$211,941			-\$200,000	-\$100,000	\$42,368	\$53,146
	Direct Costs:	-\$5,326	-\$66,829	-\$1,432	-\$73,587					-\$53,059	\$87
		\$336,085	\$1,191,437	\$49,627	\$1,577,149	-\$73,587	-\$12,063	-\$900,000	-\$665,000	\$87	

Memo

To: Air Service Board
From: Susan E. Robertson, ICMA-CM
City Administrator, City of Sun Valley
Date: February 10, 2014
Re: Idaho Counties Risk Management Program

At the first meeting of the Air Service Board in January 2014, the need for insurance for the Air Service Board was discussed. It was proposed that insurance be obtained from the Idaho Counties Risk Management Program (ICRMP) since several of the Air Service Board communities were already participants in that program.

Members of the Air Service Board had a few questions about the coverage that is offered by ICRMP. One of those questions related to the types of insurance covered under the policy since several of the coverages appeared not to be relevant to the Board. Another question focused on whether or not the members of the Board are covered for their acts as a Board.

According to the City of Sun Valley's agent for ICRMP, ICRMP is a multi-lines policy so all types of coverages are included whether or not they specifically apply to the Air Service Board. As for the Errors and Omissions coverage, the Board members would be covered for their acts as a Board.

A representative of ICRMP – Risk Management Specialist Jim McNall – is planning to attend the February 13th Air Service Board meeting in the event that Board members have additional questions.



**JOINT POWERS SUBSCRIBER
AGREEMENT**

APPROVED BY BOARD OF TRUSTEES
FOR USE AFTER OCTOBER 1, 2013

JOINT POWERS SUBSCRIBER AGREEMENT

Idaho Counties Risk Management Program, Underwriters

THIS AGREEMENT is entered into pursuant to the provisions of Idaho Code, Sections 67-2326 through 67-2333, relating to the joint exercise of powers among political subdivisions of the State of Idaho, by political subdivisions of the state of Idaho as defined by the Idaho Tort Claims Act, as subscribers to counterparts of this Agreement, for the purpose of operating a separate legal entity to be known and designated as the Idaho Counties Risk Management Program, Underwriters, hereinafter referred to as "ICRMP". At the time of making of this Agreement, ICRMP is considered by the Idaho Department of Insurance to be a reciprocal insurer organized pursuant to provisions of Idaho Code, Title 41, Chapter 29.

It is AGREED among the MEMBERS of ICRMP all of whom are signatory to this Agreement or to a prior counterpart, that by virtue of expressly accepting the terms of this version of the Joint Powers Subscriber Agreement, or by expressly approving a prior counterpart and subsequently renewing participation after changes to a prior counterpart have been implemented by the Board of Trustees, as follows:

WHEREAS, POLITICAL SUBDIVISIONS of the State of Idaho have the authority to purchase liability insurance for themselves and their employees pursuant to Idaho Code §6-923 and to contract for property and other insurance coverage as they deem necessary or proper; and

WHEREAS, it is to the mutual benefit of POLITICAL SUBDIVISIONS to join together to establish the legal entity created by this Joint Powers Agreement (JPA) to accomplish the purposes hereinafter set forth; and

WHEREAS, the MEMBERS have determined that there is a need for POLITICAL SUBDIVISIONS to jointly create an insurance and risk management program; and

WHEREAS, the laws of the State of Idaho authorize the formation of what has been classified as a reciprocal insurer by POLITICAL SUBDIVISIONS without abrogating any privileges or immunities accorded to them by law;

NOW, THEREFORE, BE IT AGREED, in consideration of the mutual advantages, obligations and benefits to each POLITICAL SUBDIVISION and the mutual covenants herein contained, the MEMBERS of ICRMP, with the consent and concurrence of the subscribing POLITICAL SUBDIVISION, agree as follows:

ARTICLE I. DEFINITIONS.

As used in this Agreement, the following terms shall have the respective meanings hereinafter set forth:

- (1) **ICRMP (PROGRAM).** The Idaho Counties Risk Management Program, Underwriters, a pooled insurance and risk management program established pursuant to the statutes of this state by this Joint Powers Subscriber Agreement.
- (2) **BOARD.** The Board of Trustees of ICRMP, which shall serve as the Subscribers' Advisory Committee, as such is required by Idaho Code Title 41, Chapter 29.
- (3) **MEMBERS.** The POLITICAL SUBDIVISIONS, as defined in Section 6-902(2), Idaho Code, which qualify and agree to the terms of this JPA, as such may be revised upon approval by the Board of Trustees from time to time.
- (4) **JOINT POWERS SUBSCRIBER AGREEMENT (JPA).** This Agreement, including prior and subsequent iterations, wherein political subdivisions agree to participate in the insurance and risk management offerings of ICRMP as set forth by the BOARD.

ARTICLE II. ESTABLISHMENT, MAINTENANCE AND PARTICIPATION IN ICRMP.

The Idaho Counties Risk Management Program, Underwriters, a separate Joint Powers Entity, was created through a JPA by numerous counties of the state of Idaho with an initial effective date of November 29, 1985. The JPA has been subsequently amended numerous times during the history of the PROGRAM. This JPA is intended to continue the organization and operation of ICRMP into future years upon the foundation laid by prior joint powers and subscribers' agreements. The public entity named on the concluding page of this JPA, a political subdivision of the State of Idaho, upon execution of an iteration of the JPA and payment of an allocated MEMBER contribution will become a MEMBER of the Idaho Counties Risk Management Program, Underwriters (ICRMP) with all rights and duties associated therewith. This Agreement supersedes all prior ICRMP JPAs and will become effective for all MEMBERS on the date identified in the footer of this version of the JPA upon acceptance of the tender of continued participation offered during the annual renewal process. Changes to the JPA are deemed accepted either by express action by the governing board or by renewing participation in the PROGRAM by paying the allocated MEMBER contribution for a succeeding year. The rights and privileges of any withdrawing Member will be governed by the JPA in effect for the final year of any Member's participation.

ARTICLE III. PURPOSES AND DURATION.

- (1) The purposes of ICRMP are to provide an insurance and risk management program and to assist MEMBERS to prevent and reduce losses to MEMBERS' property and injuries or harm to persons or property which might result in claims being made against MEMBERS, their employees, officers, or agents, whether appointed, employed, elected or serving as recognized volunteers. Additionally, ICRMP exists to address shared needs of Member Political Subdivisions of the state of Idaho to the extent that such needs fall within the commonly held powers and authority of participating MEMBERS.
- (2) It is the intent of the MEMBERS of ICRMP to create an entity of unlimited duration that will administer an insurance and risk management program and use funds contributed by MEMBERS to defend and indemnify, in accordance with this Agreement and the issued policy(ies) of insurance, any ICRMP MEMBER against stated liability or loss, to the limits of the insurance policy issued by ICRMP. It is also the intent of the MEMBERS to have ICRMP provide continuing stability and availability of needed insurance coverage at reasonable costs and to provide education and training to ICRMP MEMBERS in the interest of meeting the challenges of local governance. All income and assets of ICRMP shall be at all times dedicated to the ultimate benefit of its MEMBERS in matters of risk and insurance, inclusive of goods, services and issues not directly addressed by ICRMP-issued policies.
- (3) It is the intent of the MEMBERS of ICRMP that the PROGRAM serve as a vehicle for cooperative undertakings for all program MEMBERS, or selected groups thereof, to share the costs of certain required or desired insurance, public service or risk-related obligations which the MEMBERS desire to study or implement. In implementation of any such programs, the participating MEMBERS shall bear the allocated costs of carrying out the purposes of the program(s).
- (4) Participation in ICRMP shall be comprised of those POLITICAL SUBDIVISIONS that have approved this Agreement or one of its prior iterations and that have agreed to pay the required MEMBER contributions. MEMBERS agree to the admission of future MEMBERS in accordance with provisions of the JPA and acknowledge that they shall have no right to object to the addition of such MEMBERS provided they are admitted in accordance with the terms hereof. This Agreement shall be automatically renewed, annually or periodically, consistent with BOARD-established policy terms, unless the provisions for withdrawal, expulsion or termination are applied in compliance with the terms of this agreement or adopted BOARD policy. No insurance will be provided unless the allocated MEMBER contribution is paid when due. The BOARD, or the Executive Director, as delegated by the BOARD, is authorized to attach conditions to entry into ICRMP membership or to maintenance of membership in ICRMP in the interest of protecting the shared interests of participating MEMBERS. Such conditions may include contribution surcharges,

coverage limitations, reductions of limits or other methods designed to recognize risk exposure or to protect the shared interests of other PROGRAM participants.

ARTICLE IV. MANNER OF FINANCING.

Financial operations of ICRMP shall be committed to the sound discretion of the BOARD with the primary intent being the long-term solvency of the PROGRAM. Financial contributions from MEMBERS shall be determined by the BOARD of ICRMP working through the Executive Director, considering, among other factors, risk exposure, loss experience, net operating expenditures, property ownership, costs of administering claims, costs of providing risk management services, participation in risk reduction programs, conduct by officials and other appropriate or necessary costs of program administration or service delivery.

ARTICLE V. NON-WAIVER OF GOVERNMENTAL OR OTHER IMMUNITY.

MEMBERS of ICRMP, by participation in this PROGRAM, do not waive any immunities or limitations of liability provided to political subdivisions or their employees by any law of this state or nation.

ARTICLE VI. ICRMP POWERS AND DUTIES.

The powers of ICRMP to perform and accomplish the purposes set forth above shall, within budgetary limits and procedures set forth in this Agreement and as otherwise established by the BOARD, be the following:

- (a) To employ agents, employees and independent contractors.
- (b) To purchase, sell, encumber and lease real property; to incur obligations on behalf of the PROGRAM to the extent permitted by Idaho statutes and the Idaho Constitution; and to purchase, sell, or lease equipment, machinery, and personal property.
- (c) To invest funds as allowed by Idaho statutes.
- (d) To carry out educational and other programs relating to risk management, including the prerogative to offer discounts or credits upon demonstrating compliance with standards for BOARD-approved risk reduction methods or plans.
- (e) To create, collect funds for, and administer an insurance and risk management program.
- (f) To purchase excess insurance and/or reinsurance to supplement the self-insured retention.
- (g) To establish reasonable and necessary loss reduction and prevention recommendation procedures to be followed by the MEMBERS.
- (h) To provide insurance-related services, risk management, loss control, underwriting and claims adjustment or to contract for such services, including the defense and settlement of claims, subject to specific limitations and/or restrictions, which may be imposed and adopted by the BOARD.

- (i) To carry out such other activities as are necessarily implied or required to carry out the purposes of ICRMP specified in Article III of this Agreement, even though such undertakings might not be known at the time of entering into this Agreement, or might not be included within the specific powers enumerated in this Article.
- (j) To sue and be sued.
- (k) To enter into contracts.
- (l) To reimburse BOARD members for reasonable and approved expenses incurred in attending to BOARD responsibilities.
- (m) To provide security, insurance or bonds regarding the official responsibilities of all officers, BOARD members and employees of ICRMP.
- (n) To borrow funds with approval by the BOARD as necessary for current operating purposes, so long as repayment is achieved before the conclusion of the subsequent fiscal year.
- (o) To take appropriate steps to protect pool resources from careless or reckless conduct by ICRMP MEMBERS or by individual public officials of Member entities.
- (p) To establish terms and conditions of initial or continued Membership in the ICRMP Program.
- (q) To develop and offer shared procurement or participation opportunities for ICRMP Members for goods or services that may not be directly related to risk management activities, but that appropriately fall within the shared powers authorized for political subdivisions of the state of Idaho.

ARTICLE VII. PARTICIPATION.

Any MEMBER of ICRMP shall be permitted to participate in the activities of ICRMP as authorized by this Agreement or pursuant to decisions by the Board of Trustees. MEMBER participation in ICRMP activities concerning the respective rights and responsibilities any particular MEMBER shall require the approval of the governing board of that MEMBER.

ARTICLE VIII. MEMBERS' RIGHTS AND OBLIGATIONS - DISPUTE RESOLUTION PROCEDURES.

- (1) The individual MEMBERS of ICRMP, acting through their respective governing boards, shall have the right to:
 - (a) Petition the BOARD to be heard regarding any aspect of the PROGRAM operation in accordance with internal dispute resolution procedures approved by the BOARD or as otherwise determined in accordance with procedural guidelines authorized by the BOARD or the Chairman of the BOARD as circumstances warrant.
 - (b) Withdraw from PROGRAM participation at any time authorized by this Agreement, but no less frequently than annually. MEMBERS recognize that the PROGRAM is managed for long-term participation and that agreements that support PROGRAM operation are of one-year or longer duration. Consequently, early withdrawal from the PROGRAM during the course of a

policy year may be subject to additional financial obligation for the withdrawing MEMBER as determined by the BOARD.

- (c) To nominate or vote in selection of a representative to serve on the BOARD of ICRMP as provided by this JPA.

(2) The obligations of MEMBERS of ICRMP shall be as follows:

- (a) To pay promptly all MEMBER contributions to ICRMP at such times and in such amounts as shall be established by the BOARD pursuant to this Agreement. Any delinquent payments may incur interest, penalties or other financial consequences as determined by resolution of the ICRMP Board of Trustees. Insurance coverage and other services will not continue for MEMBERS that are delinquent in payment of contribution amounts according to the terms of this Agreement and any related resolution approved by the Board of Trustees. Notice of termination of coverage or of services, for non-payment or otherwise, will be provided in writing.
- (b) To allow the PROGRAM and its agents, officers and employees reasonable access to all premises of the MEMBER and all records, including but not limited to financial records, as reasonably required for the administration of ICRMP and the effective handling of claims threatened or brought against MEMBERS.
- (c) To cooperate fully with the PROGRAM'S attorneys, claims adjusters and any other agent, employee, or officer of ICRMP in activities relating to the purposes and powers of ICRMP.
- (d) To make good faith efforts to follow the safety, loss reduction and prevention recommendations expressed by the PROGRAM and to cooperate in risk reduction strategies proposed or required by the PROGRAM.
- (e) To report to ICRMP immediately all incidents or occurrences that could reasonably be expected to result in ICRMP being required to consider a claim against the MEMBER, its agents, officers, or employees, or for losses to MEMBER'S property within the scope of coverage undertaken by ICRMP.
- (f) To report to ICRMP as soon as reasonably possible, by way of the public entity's insurance agent, in accordance with the issued Policy of Insurance and related guidelines, the addition of new programs, facilities and equipment or the significant reduction or expansion of existing programs, facilities and equipment or other acts that could cause material changes in the MEMBER'S risk of property or liability-related loss exposure.
- (g) To provide ICRMP periodically and consistent with Policy terms, but in no instance less frequently than annually, in accordance with the issued Policy of

Insurance, with information on the value of buildings and contents and other real and personal properties. Each MEMBER is obliged to cooperate with the PROGRAM *via* its independent insurance agent.

- (h) To utilize BOARD-approved dispute resolution procedures regarding any contest or disagreement regarding a provision or scope of coverage pursuant to the insurance program/policy or any other aspect of PROGRAM operation, prior to addressing any such disagreement to a state or Federal administrative agency or prior to initiating legal action against ICRMP. MEMBERS expressly agree to follow the internal dispute resolution procedures adopted by the BOARD before contesting administrative determinations, coverage or claims non- payment issues in a court of law or before a regulatory agency. Such procedures require MEMBERS to thoroughly disclose any bases for such disagreement in writing to the BOARD prior to being heard in the process of resolving any such dispute. MEMBER expressly agrees that failure to exhaust the internal dispute resolution procedures established by the BOARD constitutes a material breach of this JPA. MEMBER further agrees not to initiate legal action against the PROGRAM or initiate contested procedures before any state or Federal regulatory agency regarding any dispute with the PROGRAM until said dispute resolution procedure has reached its conclusion before the BOARD within a reasonable timeframe. MEMBER agrees that ICRMP may enforce this provision by seeking the remedy of specific performance in a court of competent jurisdiction. A MEMBER that pursues a remedy in court or before a regulatory agency agrees to reimburse the PROGRAM its reasonable costs and attorney fees incurred in defense of any such suit or administrative proceeding if the matter has not first been brought to the BOARD pursuant to this dispute resolution procedure. The restrictions contained in this subsection may be waived by mutual agreement of the PROGRAM and the MEMBER.
- (3) The basic elements of the dispute resolution procedure within ICRMP shall include the following:
- (a) Filing a written statement by the MEMBER stating the specific basis for disagreement with a decision by the Executive Director or BOARD regarding aspects of PROGRAM operation or contribution requirements, provision of coverage or non-payment of a claim for money damages. Such filing shall be followed promptly by a conference with the Executive Director, in person or by telephone, to attempt to resolve the stated differences. The Executive Director shall thereafter respond to the MEMBER in writing not more than ten (10) business days after the conference. Such written response shall set forth the basis of the Executive Director's decision concerning the contested matter. If the matter contested involves a decision originally made by the BOARD, the request for BOARD consideration can be routed directly to the BOARD if the Executive Director lacks authority to revise a BOARD-established policy, practice or result.

- (b) Following receipt of the Executive Director's written response, MEMBER may appeal the determination of the Executive Director to the BOARD. Any such appeal shall be made in writing setting forth the specific basis for the appeal and the particular reasons for the disagreement with the determination of the Executive Director. When an appeal is received at least fourteen (14) days prior to a BOARD meeting, it will be included on the next BOARD agenda. If an appeal is not received at a time that allows it to be timely placed upon the agenda of the next BOARD meeting, the MEMBER and Executive Director, working in consultation with the Chairman of the BOARD, shall determine whether the matter is of such importance and urgency that it requires the call of a special BOARD meeting or whether it can be addressed at the next regularly scheduled BOARD meeting without irreparably harming the MEMBER. If a MEMBER insists upon the call of a special meeting by formal action of its governing board, a special meeting of the BOARD shall be called to hear the appeal.

- (c) The BOARD shall hear oral presentations, not in excess of one hour each, by the MEMBER and the Executive Director, or those designated by the Executive Director, should either or both desire. After hearing from both parties, the BOARD shall decide the controversy and shall tender its decision in writing within thirty (30) days. In doing so the BOARD may consult independently, or through the Executive Director, with legal advisers and/or consultants. The decision of the BOARD shall be final, unless reconsideration is requested by the MEMBER and approved for reconsideration by the BOARD. Until a final decision is made pursuant to the procedures set forth in this Article, no MEMBER may initiate or institute legal action against ICRMP or its officers, employees or agents arising out of the performance of this Agreement or the contract of insurance issued pursuant to this Agreement. Nor shall a contested matter be initiated by a MEMBER before a state or federal administrative agency without completing the dispute resolution procedure set forth herein.

- (d) The BOARD reserves the right to vary the foregoing procedures as necessary to accommodate the interests of ICRMP, its MEMBERS, or others with an interest in the just resolution of differences regarding PROGRAM operation.

ARTICLE IX. MEMBER CONTRIBUTIONS.

The BOARD of ICRMP shall establish annual or periodic contribution amounts for MEMBERS. The PROGRAM may change contribution amounts charged to any MEMBER from year to year to reflect changes in PROGRAM operating costs, changes in risk resulting from operational changes, changes in property values or ownership, reevaluation of operating risks, participation in voluntary ICRMP program offerings, MEMBER conduct concerning exposures or risks or refusal to participate in or willful violation of safety or loss prevention programs or for other reasons established by the BOARD. Conversely, the PROGRAM may

offer contribution amount discounts for any MEMBER that faithfully participates in loss prevention and safety programs or for other reasons established by the PROGRAM. Each MEMBER'S contribution amount shall be calculated in accordance with rate determination methods approved by the BOARD for any Policy Year, unless additional coverage is requested by the MEMBER. MEMBERS acknowledge that rate-setting is not a matter of precise application of an arithmetic formula, but rather reflects both tangible and intangible elements that are shaped by a combination of PROGRAM experiences and informed administrative discretion as delegated by the BOARD. No MEMBER may be further assessed during a Policy Year unless in response to a material change in property or activities not disclosed or addressed at the time of annual renewal. Additional contribution amount may be charged when changes are made to covered property or activities during the course of a year. The PROGRAM reserves the right to condition continued participation by any MEMBER upon compliance with specific performance requirements, payment of modified deductible amounts and such other measures as the PROGRAM deems necessary or appropriate. The PROGRAM also reserves the right to discontinue membership or diminish coverage or limits or increase the self-insured responsibility of any MEMBER that does not cooperate with PROGRAM goals, objectives, or requirements or that acts without regard to consequences concerning matters that affect ICRMP and its MEMBERS.

ARTICLE X. BOARD OF TRUSTEES – ELECTION AND REPRESENTATION.

The BOARD of Trustees shall be comprised of nine (9) elected public officials, upon the initial effective date of this iteration of the JPA, six (6) of whom shall be county commissioners and three (3) who shall hold elective office in other POLITICAL SUBDIVISIONS. The electoral/appointive boundaries for designated BOARD members shall be organized as follows:

County District I: Counties of Boundary, Bonner, Kootenai, Benewah and Shoshone.

County District II: Counties of Latah, Clearwater, Nez Perce, Lewis and Idaho.

County District III: Counties of Adams, Valley, Washington, Payette, Gem, Boise, Canyon, Ada, Elmore and Owyhee.

County District IV: Counties of Camas, Blaine, Gooding, Lincoln, Jerome, Minidoka, Twin Falls and Cassia.

County District V: Counties of Bingham, Power, Bannock, Caribou, Oneida, Franklin and Bear Lake.

County District VI: Counties of Lemhi, Custer, Clark, Fremont, Butte, Jefferson, Madison, Teton and Bonneville

Region I: Elected official of a city from within Districts I, II, and III elected by all Member cities in the Region .

Region II: Elected official of a city from within Districts IV, V and VI elected by Member cities in the Region.

Special District Member : Elected official of any MEMBER other than a county or city, selected by a vote of the Board, chosen from nominees submitted by non-county or non-city MEMBERS. .

Each member of the BOARD shall be either a commissioner elected from a MEMBER County, an elected official of a MEMBER city or other POLITICAL SUBDIVISION, and shall

serve for a period of two (2) years, or until a successor is elected or appointed. Four (4) members of the BOARD (even-numbered County Districts and the Region II seat) shall be elected for two (2) year terms in November/December of odd-numbered years, while another five (5) members of the BOARD (odd-numbered County Districts and the Region I seat plus the Special District Member) shall be elected/appointed for two (2) year terms in even-numbered years. For purposes of this Agreement, a "Board Seat" shall be defined as the position on the ICRMP Board of Trustees designated for and occupied by the representative duly elected or appointed from a District, Region or statewide, respectively, as outlined in this Section. The Executive Director shall administer the election process in order to allow election results to be canvassed by the BOARD during its December meeting. The respective boards of county commissioners of each MEMBER county may cast a ballot for their District member of the BOARD; governing boards of cities may vote for regional City representatives and Special District Member candidates may be nominated by governing boards of Member Special Districts. Valid ballots must be received by ICRMP at a time and place specified by the Executive Director prior to the BOARD's final meeting each calendar year. Each member of the BOARD shall serve from the date of the first BOARD meeting in the year succeeding his election/appointment through the conclusion of his/her term when a succeeding BOARD member is seated or for another term if the BOARD member is re-elected/reappointed.

Article XI. REMOVAL OF BOARD MEMBER

At any time during the course of service of an elected BOARD member such member may be removed by the PROGRAM MEMBERS that elected such BOARD member by either of two (2) means. The first method by which an elected BOARD member's continued service may be submitted to his constituent electors is by receipt of a petition of no confidence approved by the respective governing boards of MEMBER entities equal to at least one-half (1/2) of the number of votes received by the BOARD member when the BOARD member was most recently elected to the BOARD. Any such petition shall succinctly set forth the reasons of misconduct, personal behavior, wrongdoing, failure to exercise diligence or failed representation that justifies a no-confidence/removal election.

The second alternative to refer a BOARD member's continued service to his constituent electors would be a no-confidence declaration by members of the ICRMP BOARD. By majority vote of no confidence, exclusive of the BOARD member in question, the BOARD may choose to submit the question of continued service by an elected BOARD member to the BOARD member's constituent electors, stating in any motion to proceed with such election the express reasons therefor. Any BOARD member appointed to fill the remainder of an elected member's term shall be treated as an elected BOARD member.

In the event of receipt of a qualifying no-confidence petition, or following a no-confidence vote by the ICRMP BOARD, the question to be presented to a BOARD member's constituent electors shall be whether the identified BOARD member should continue to serve on the BOARD. The reasons for no-confidence stated in the petition from dissatisfied MEMBERS or expressed in the motion by BOARD shall be included in election materials sent to constituent

electors along with a statement prepared by the BOARD member in response. Neither message shall exceed three hundred (300) words. Voting in any such election shall be open for at least twenty-one (21) days from the date ballots are first mailed. The Executive Director shall establish a time and date-certain by which all ballots must be received. Votes shall be tallied by the Executive Director or his designee(s). A majority of lawful votes cast shall determine the outcome. If a no-confidence vote results in removal of BOARD member, the seat may be refilled by BOARD appointment until the next election wherein a replacement can be elected to fill a new term or the remainder of the prior term, whichever is applicable.

Any BOARD Member holding an appointive or *ex-officio* non-voting position may be removed by majority vote of the BOARD for reasons of misconduct, personal behavior, wrongdoing or failure to exercise diligence after providing the BOARD Member a written statement of concerns and allowing the BOARD Member an opportunity to be heard by the BOARD. In the circumstances of such proceedings, a BOARD Member facing possible removal shall be entitled to written notice of the concerns no less than seven (7) calendar days prior to BOARD action and the hearing opportunity for the subject BOARD Member shall be no less than one (1) hour in duration.

ARTICLE XII. POWERS AND DUTIES OF THE BOARD OF TRUSTEES.

The BOARD shall have the following powers and duties:

- (1) To annually elect a chairman and vice-chairman. Each officer shall serve until his or her successor is elected.
- (2) To admit or expel MEMBERS, or to condition continued participation in the PROGRAM, in accordance with this Agreement.
- (3) To establish procedures for determining contribution amounts and authorizing payment procedures for MEMBERS.
- (4) To establish the insurance and risk management program design.
- (5) To provide for selection of all personnel and contractors necessary for the administration of ICRMP, including the appointment of an Executive Director to supervise the business of the PROGRAM and carry out other functions delegated by the BOARD.
- (6) To establish a schedule for BOARD meetings.
- (7) To exercise all powers of ICRMP, except powers reserved to the MEMBERS.
- (8) To prepare, adopt and oversee ICRMP's budget.
- (9) To receive reports concerning PROGRAM activities and to make reports to the MEMBERS.
- (10) To provide for underwriting, claims and loss control procedures.
- (11) To provide for the investment and disbursement of funds.
- (12) To establish by-laws, rules and regulations governing its own conduct and procedures and the powers and duties of its officers, not inconsistent with this Agreement.
- (13) To provide to MEMBERS an annual report of operations and financial affairs.

- (14) To form committees and advisory panels; and to provide other services as needed by ICRMP. The BOARD shall determine the method of appointment and terms of members of committees and advisory panels.
- (15) To submit to MEMBERS a subsequent, substitute, or replacement JPA at the date of periodic renewal, or otherwise, for re-adoption or express acceptance by MEMBERS.
- (16) To dissolve ICRMP and disburse its remaining assets when BOARD action is accompanied by a two-thirds (2/3) vote of the entire then-current MEMBERSHIP, provided that a notice of intent to dissolve ICRMP shall be given to the Director of the Department of Insurance of the State of Idaho at least ninety (90) days prior to the proposed effective date. Like notice of such intent shall be provided to all MEMBERS at least thirty (30) days before any such vote regarding dissolution.
- (17) To appoint or remove appointed or non-voting *ex-officio* members of the BOARD
- (18) To do or delegate all acts necessary and proper for the implementation of this Agreement.

ARTICLE XIII. ESTABLISHMENT OF LOSS PAYING FUND.

The PROGRAM shall endeavor to maintain available funds in amounts the BOARD deems reasonably sufficient to annually provide the resources necessary to fund ICRMP's general and administrative expenses, any reinsurance or excess insurance requirements, to pay the current year's claims and claims expenses and to sustain the financial stability of the PROGRAM, in addition to funds necessary to meet ICRMP's obligation to satisfy the requirements of any regulatory authority.

ARTICLE XIV. SCOPE OF COVERAGE.

- (1) ICRMP shall provide policy protection to each MEMBER as provided in the MEMBER'S policy of insurance. MEMBER acknowledges that the policy of insurance transfers risk of loss from the MEMBER to ICRMP subject to the terms, conditions and exclusions addressed by the policy. MEMBER acknowledges that not all risks are insurable and that any excluded risks are not transferred pursuant to this Agreement.
- (2) In the event that a claim or a series of claims exceeds the amount of coverage provided by the MEMBER's Policy, payment of valid claims shall become the sole and separate obligation of the individual MEMBER or MEMBERS against whom the claim was made and perfected by litigation or settlement. No Subscriber shall be entitled to a contribution from other MEMBERS beyond the annual amount obligated by this Joint Power Subscribers Agreement and the policy of insurance which complements it.

ARTICLE XV. MEETINGS OF THE BOARD OF TRUSTEES.

- (1) The BOARD may set a time and place for meetings in accordance with applicable law. All provisions of law applicable to public meetings shall be

observed.

- (2) A majority of seated trustees shall constitute a quorum to do business. All formal acts of the BOARD shall require a majority vote of the trustees present and voting, unless otherwise required by law.
- (3) Because of the distance that separates the Trustees, the BOARD may conduct official business by telephone/video conference call. When a conference call meeting is convened the base of such meeting will normally be the ICRMP Building in Boise, Idaho. An alternative base meeting location may be designated by the Executive Director when necessary to effectively conduct BOARD business. At the base location a speaker phone shall be provided in order to allow the public to hear the discussion carried on by the BOARD. Executive session and notice provisions of the Open Meeting Law shall apply when appropriate or required.

ARTICLE XVI. LIABILITY OF BOARD OF TRUSTEES OR OFFICERS.

The trustees or officers of ICRMP should use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be personally liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care so long as the actions or omissions complained of shall have taken place within the course and scope of their official duties. No trustee shall be personally liable for any action taken or omitted by any other trustee. The assets of ICRMP may be used to defend and indemnify any trustee, officer, agent or employee for actions taken by each such person in good faith within the scope of his or her authority for ICRMP as public officials in the state of Idaho. ICRMP may purchase insurance providing coverage for trustees, officers and employees.

ARTICLE XVII. WITHDRAWAL FROM MEMBERSHIP.

Any MEMBER may withdraw from ICRMP after the MEMBER'S initial one (1) year term by giving notice to the Executive Director, in writing, of its desire to withdraw. Any MEMBER may withdraw from ICRMP within thirty (30) days after the date that the PROGRAM gives notice in writing of an amendment to this Agreement or its accompanying policy of insurance by tendering to the Executive Director written notice of its intent to withdraw. The continuing rights of any withdrawing MEMBER shall be as set forth in the most recent JPA. A voluntarily withdrawing MEMBER shall be deemed to have forfeited any claim of right or equity to any portion of liquidated surplus or to any credit or dividend should any be declared by the Board of Trustees.

ARTICLE XVIII. EXPULSION OF MEMBERS - CONDITIONS OF CONTINUED PARTICIPATION.

- (1) Any MEMBER may be expelled at the initiation of the Executive Director or the BOARD at any time during a policy year for one or more of the following reasons:

- (a) Failure to make any payments due to ICRMP.
 - (b) Willful failure to undertake or continue loss reduction or loss prevention recommendations by ICRMP.
 - (c) Failure to allow ICRMP reasonable access to all facilities and records of the MEMBER necessary for proper administration of ICRMP.
 - (d) Failure to fully cooperate with ICRMP's attorneys, claim adjusters or other agents, employees, or officers of ICRMP.
 - (e) Failure to carry out any obligation of a MEMBER which impairs the ability of ICRMP to carry out its purpose or powers.
 - (f) Exhibiting reckless behavior which causes claims which could have been avoided by prudent or responsible action.
- (2) No MEMBER expulsion shall be effective until at least thirty (30) days after notice from the Executive Director of the alleged failure of performance, however the notice from the Executive Director may include exclusions from, or limitations on, coverage related to foreseeable actions addressing conduct of the MEMBER. Any such exclusions or limitations shall be effective immediately unless subsequently rescinded by BOARD action or modified by mutual agreement. Notice to a MEMBER shall state whether a cure is believed to be possible. The MEMBER may request, in writing, a hearing before the BOARD, either by telephone or in person, within fourteen (14) days of the notice provided by the Executive Director. MEMBERS must act through their governing board. Notices of expulsion are subject to the Dispute Resolution Procedure set forth in Article VIII. If a decision to expel is affirmed after hearing, such date of expulsion shall relate back to the date of initial decision to expel by the Executive Director or the BOARD from which the notice of intent to expel derives. The rights of any expelled MEMBER shall be as set forth in this Agreement or upon such other terms and conditions as the BOARD may negotiate with the expelled MEMBER. Nothing in any policy of Insurance shall contravene provisions of this JPA respecting separation from the PROGRAM.
- (3) Any MEMBER separating from ICRMP (withdrawing or expelled) shall not be entitled to any reimbursement of contribution amounts that have been paid unless otherwise required by provisions of applicable law. All claims relating to events occurring after the date of separation from ICRMP shall become the sole responsibility of the separated Subscriber. With respect to any Claims Made coverage provided to a MEMBER, any claims occurring or reported after the date of separation from ICRMP shall become the sole responsibility of the separated MEMBER. Any MEMBER expelled from the PROGRAM by action of the Board of Trustees shall have any entitlement to liquidation value provided pursuant to this JPA reduced by the amount of ultimate net loss that exceeds the MEMBER's contributions for the period of liquidation rights established by the terms of the JPA then in effect. Such entitlement to liquidation value shall be payable only upon actual liquidation of the PROGRAM.
- (4) As an alternative to expulsion the BOARD or Executive Director may, at any time, condition continued participation in the PROGRAM upon compliance with specific

terms and conditions established by agreement between the MEMBER and ICRMP. Conditions may include consultation requirements, increased deductible amounts, increased MEMBER contributions, restriction of coverage, diminishment of coverage limits and such other limitations as the BOARD may deem reasonable to protect the resources of ICRMP.

ARTICLE XIX. BINDING CONTRACTUAL OBLIGATION.

This document shall constitute a JPA, a binding contract, among those POLITICAL SUBDIVISIONS that are MEMBERS of ICRMP. The terms of this Agreement may be enforced in court by ICRMP itself or by any of its MEMBERS, as respects its interests, subject to the terms and conditions of applicable laws and this Agreement. The consideration for the duties herewith imposed upon the MEMBERS to take certain actions and to refrain from certain other actions is based upon the mutual promises and agreements of the MEMBERS set forth herein. This Agreement shall be approved according to law by each MEMBER or by subsequent renewal pursuant to procedures specified by the Executive Director or the BOARD. MEMBER asserts that it has complied with relevant laws and that it waives its ability to object to the binding nature of this Agreement by virtue of informalities in its approval. Except to the extent of the financial contributions to ICRMP agreed to herein, or such additional obligations as may come about through amendments to this Agreement, no MEMBER agrees or contracts herein to be held responsible for any claims in tort or contract made against any other MEMBER. The contracting parties intend in the creation of ICRMP to establish an organization for joint risk management only within the scope herein set out, and have not herein created as between MEMBER and MEMBER any relationship of surety or indemnitor, nor by participating herein does any MEMBER assume responsibility for the debts of or claims against any other MEMBER.

ARTICLE XX. DISTRIBUTION OF PROPERTY, FUNDS AND SUPPLIES UPON DISSOLUTION OF ICRMP.

In the event of termination of this JPA such that ICRMP is dissolved, all unused consumable supplies, non-consumable supplies or other property or assets acquired by ICRMP shall be liquidated in a manner permissible by law, and the proceeds of such liquidation shall be disbursed to the then-current MEMBERS at a rate proportionate to each MEMBER'S *pro rata* share of the cumulative member contributions paid to ICRMP for the most recent five (5) fiscal years. Said determination of net asset distribution shall be made in good faith by the BOARD subject to application of the business judgment rule.

ARTICLE XXI. SEVERABILITY.

In the event that any Article, provision, clause or other part of this Agreement should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other Articles, provisions, clauses, applications or occurrences, and this Agreement is expressly declared to be severable.

ARTICLE XXII. POWER OF ATTORNEY - EXPENSES AND DUTIES.

- (1) To the extent required by Idaho Code Title 41, Chapter 29, and not inconsistent with applicable constitutional and statutory obligations and prerogatives, MEMBER hereby appoints Idaho Counties Risk Management Program, Underwriters (ICRMP), as its Attorney-in-Fact empowered to take all actions and execute all documents which are necessary or appropriate in carrying on the business of insurance through ICRMP on behalf of MEMBER. MEMBER agrees that the BOARD of ICRMP may delegate powers to an Executive Director in accordance with this JPA.
- (2) The Executive Director appointed by the BOARD is hereby empowered by the undersigned to accept service of process on behalf of ICRMP. The Director of the Department of Insurance of the State of Idaho is also authorized to receive service of process in actions against ICRMP upon contracts of insurance provided to Subscribers of ICRMP. Such authorization does not supersede the procedural requirements of this Agreement. The general services to be performed by the Executive Director shall include: (a) issuing, underwriting and servicing policies of insurance; (b) contracting with agents for sale and servicing of policies of insurance; (c) executing treaties of reinsurance or contracts of excess insurance; (d) providing risk management services and administering programs to diminish claims for damages and (e) supervising the investment policy of ICRMP. The Executive Director's obligations and liability shall be limited by the terms and conditions of ICRMP's JPA and by the Idaho Tort Claims Act.
- (3) The general items of expense to be paid by ICRMP shall include, but not be limited to: (a) losses and claims payments; (b) allocable claims expense; (c) governmental charges, license fees, and lawful taxes; (d) expenses incurred in auditing ICRMP's books and records; (e) contribution amount collection costs; (f) BOARD expenses; (g) premiums on reinsurance and excess insurance; (h) fees of investment counsel and direct investment expense; (i) salaries and expenses of officers and employees of ICRMP; (j) disbursement of dividends; (k) special expenses authorized by the Board of Trustees of ICRMP; (l) broker and agent commissions; (m) indemnity insurance premiums; (n) home and branch office expense; and (o) actuarial, auditing, legal, risk management and loss prevention expenses.
- (4) The Power of Attorney conveyed herein shall expire upon termination of all obligations of ICRMP. The policies of insurance issued by ICRMP are conditional upon payment of MEMBER contributions to ICRMP. The liability of each MEMBER for the obligations of ICRMP shall be an individual, several and proportionate liability and not a joint liability. The liability of each MEMBER shall be limited as stated in this JPA provided, however, that in no event shall any MEMBER be required to contribute more than the amount authorized by applicable state statutes and constitutional provisions pursuant to which ICRMP is established.

ARTICLE XXIII. MISCELLANEOUS PROVISIONS - NOTICE.

- (1) The provisions of this Agreement shall be interpreted pursuant to the laws of the State of Idaho.
- (2) The parties hereto consent that courts in the State of Idaho shall have jurisdiction over any dispute arising under this Agreement after exhaustion of the dispute resolution procedures provided for herein. If reasonable attorney fees are incurred in enforcing provisions of this Agreement in a court of law, the prevailing party to such an action shall be entitled to reimbursement of its reasonable attorney fees.
- (3) No waiver of any breach of this Agreement or any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any of the other provisions herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligations or acts.
- (4) In the event that any provision of this Agreement is in conflict with or is incompatible with the MEMBER'S Policy issued hereunder, the terms and conditions of the MEMBER'S Policy shall prevail and take precedence.
- (5) This Agreement may be modified or amended by a written agreement entered into by the BOARD. Provided, however, no such modification shall be effective retroactively, nor as to any insurance contract or coverage issued prior thereto. Said modifications may be made effective during a Policy Year only to comply with applicable laws respecting operation of ICRMP or with express consent of the MEMBER. Changes may be made to the policy of insurance issued by ICRMP at any time during the policy year in accordance with rules or statutes governing the business of insurance within the State of Idaho. If a MEMBER does not accept changes made during a policy year, its sole remedy shall be to cancel future coverage, subject to a proportionate refund of any *pro rata* MEMBER contributions already paid, less equitable commission and administrative charges.
- (6) MEMBER agrees to hold ICRMP, its employees, contractors, and/or legal counsel, harmless and without liability to MEMBER from any claims arising out of loss control or related administrative activities undertaken for Subscriber's benefit. ICRMP assumes no responsibility for the lawful operation of MEMBER'S POLITICAL SUBDIVISION. MEMBER further agrees that communications with attorneys on the ICRMP staff or retained by the PROGRAM to assist a MEMBER to resolve or avoid claims will remain confidential pursuant to the Attorney-Client privilege and that written materials generated as a consequence of such effort to assist MEMBER shall constitute attorney work product. MEMBER further agrees that the employees, contractors and/or legal counsel of ICRMP when acting in a loss control capacity are representing ICRMP, not MEMBERS, and that information obtained in such loss control capacity may be provided to ICRMP in order to carry out the purposes of this JPA.

- (7). All notices required to be given under this Agreement shall be delivered in writing. Notices by a MEMBER to ICRMP shall be sent to ICRMP'S principal place of business. Notices to any Subscriber shall be sent to the Subscriber's last known address. In the event that any party to this Agreement desires to change its address, notice of change of address shall be sent to the other party by United States Mail in accordance with the terms and provision of this Article. Each Member of ICRMP whether by initiating membership after October 1, 2013, or by renewing membership after October 1, 2013, hereby authorizes and consents to delivery of documents between itself and ICRMP by electronic means in accordance with provisions of Idaho Code §41-1851 or its successor unless it provides written notice to ICRMP that it declines to accept delivery of documents by electronic means.
- (8) Warranty of Eligibility – Each MEMBER authorizing participation in ICRMP by approval of this Agreement and execution by an authorized official hereby warrants that it is a political subdivision of the state of Idaho as defined by the Idaho Tort Claims Act and thereby eligible to be a MEMBER of ICRMP. By such warranty each MEMBER consents to its immediate separation from ICRMP participation upon discovery that it is not a qualifying political subdivision. Each MEMBER also agrees that it will indemnify ICRMP for any loss it may suffer by virtue of the inapplicability of privileges and immunities otherwise available to political subdivisions of the state of Idaho by virtue of the mischaracterization of any MEMBER as a qualified Idaho political subdivision.

ARTICLE XXIV. EXECUTION AND ATTEST.

In Witness hereof, this Agreement is executed on the ____ day of _____ 20 ____, by the undersigned who are duly authorized officer(s) of the Political Subdivision indicated below and by the Idaho Counties Risk Management Program, Underwriters (ICRMP), pursuant to action taken by the Governing Board of the MEMBER on the ____ day of _____ 20 _____. Such execution upon this Agreement or upon execution of a prior counterpart accompanied by continuing renewal shall constitute agreement by the POLITICAL SUBDIVISION to the terms and conditions of membership in ICRMP until proper written notice of withdrawal is provided or until a MEMBER is expelled as provided herein. A signature is required for new membership. Renewal occurs annually by approval of binder and payment of MEMBER CONTRIBUTION subject to the terms of the then-current JPA proffered by the ICRMP Board of Trustees in conjunction with insurance policy terms for the succeeding policy year.

POLITICAL SUBDIVISION: _____

By: _____
CHAIRMAN OF THE BOARD, MAYOR, OR OTHER
EXPRESSLY AUTHORIZED OFFICER

Title: _____

Attest/Witness: _____
CLERK OR OTHER AUTHORIZED OFFICER

ACCEPTED FOR THE IDAHO COUNTIES RISK MANAGEMENT
PROGRAM, UNDERWRITERS (ICRMP)

By: _____
EXECUTIVE DIRECTOR

ICRMP

...more than just insurance



*Sun Valley Air
Service Board*

IDAHO COUNTIES RISK MANAGEMENT PROGRAM, UNDERWRITERS

3100 Vista Avenue, Suite 300, Boise, Idaho 83705

Phone: 203.336.3100 • Fax: 208.336.2100

intake@icrmp.org • www.icrmp.org



Who We Are

Idaho Counties Risk Management Program was formed in 1985 by several Idaho Counties at a time when private insurance markets were no longer affordable or, in some cases, unavailable to local governments. ICRMP is a member owned and governed property and casualty insurance program created exclusively for Idaho local governments. Our mission is to provide a stable and cost effective source of loss protection through risk management resources designed specifically to meet the needs of our members.

The program is organized through a Joint Powers Agreement (JPA) under which members join with one another to elect a Board and share a governance structure. The 10-member board of trustees represents the pool members and shapes program policy decisions. A County commissioner from each region of Idaho is elected by the counties to serve on the ICRMP board. Cities are represented by electing two regional representatives. The Board appoints a member-at-large position from the special taxing district members of the pool. The ICRMP board also appoints a member of the Idaho Sheriff's Association to serve in an ex-officio capacity.

Financial stability, controlling claims costs and adapting to Idaho local governments' specific risk management needs are what ICRMP seeks to achieve through the program's mission. Financial stability for the program means the ability to pay claim obligations in a volatile risk environment. ICRMP submits itself to regulation by the State Department of Insurance to help ensure this goal is met and the ICRMP Board of Trustees review and approve an annual internal audit and quarterly actuarial analysis.

The cost of insurance coverage and risk management services are a significant consideration for ICRMP members and are critical concerns in every decision the program makes. Preventing and reducing loss is the most important element of controlling program costs and is a primary focus of the board and staff efforts. Your membership in ICRMP provides not only your entity with stability, but also contributes to the larger goal of Idaho local governments, working together, to independently provide the protections they need now and in the future.

No private entities are, or ever will be members of ICRMP. The program is not a branch of a commercial insurer. Its leadership and personnel are right here, in Idaho, meeting your needs.

Rick Ferguson
Executive Director

Estimated Premium

\$1,000

- ❖ This proposal provides only a general description of the ICRMP public entity program. The coverage provided will be governed by the terms and conditions of the actual policies of insurance and Joint Powers Agreement issued. All claims, questions or disputes will be settled by reference to the actual policies and Joint Powers Agreement.
 - ❖ This quote is based on reported property values of (\$0) and annual payroll wages of (\$0). ICRMP reserves the right to adjust the member contribution if the information entered into our eAgent online system differs from the amounts used during the quote process.
 - ❖ This quote is valid only to a verified public entity within the State of Idaho.
 - ❖ ICRMP is an admitted and approved reciprocal insurer in the State of Idaho and its forms are approved by the Idaho Department of Insurance.
 - ❖ Available coverages are listed below.
-

Property

- Buildings, Structures, Personal Property, Automobile Physical Damage, Operations Disruption, Valuable Papers/Records

Coverage	Limits	Coverage Basis	Deductible
Professional Fees	\$500,000	Per covered occurrence.	The first (\$500) of any loss is applicable to all property coverages listed herein, excepting flood and earthquake losses.
Fine Arts	\$500,000	Per covered occurrence or in the aggregate for multiple occurrences.	
Ordinance Deficiency	\$5,000,000	Per covered occurrence.	
Preservation of Property	\$25,000	Per covered occurrence.	
Newly Acquired Property	\$10,000,000	Per covered occurrence.	
Property in Course of Construction			
• New	\$250,000	Per covered occurrence.	
• Repairs or Renovations of Existing	\$1,000,000	Per covered occurrence.	
Property in Transit	\$1,000,000	Per covered occurrence.	
Service Animals	\$10,000	Per covered occurrence.	
Water/Sewer Backup	\$1,000,000	Per covered occurrence and/or in the annual aggregate for multiple occurrences.	*Earthquake: 10% of amount listed per Schedule of Values. **Flood Type A: The first \$100,000 of any loss. ***Flood Type B: The first \$500,000 per building and first \$500,000 per contents.
Earthquake*	\$50,000,000	Annual aggregate – all ICRMP members combined.	
Flood			
• Flood Type A**	\$50,000,000	Annual aggregate – all ICRMP members combined.	
• Flood Type B***	\$5,000,000	Annual aggregate – all ICRMP members combined.	
Automobile/Mobile Equipment Physical Damage	\$1,000,000	Per item per covered occurrence.	
	\$10,000,000	In the aggregate for multiple items when not in use.	
Operational Disruption Expense	\$1,000,000	Per covered occurrence or in the aggregate for multiple occurrences.	
• Data Restoration Related to Operational Disruption Expense	\$250,000	Per covered occurrence or in the aggregate for multiple occurrence.	
Valuable Papers and Records	\$1,000,000	Per covered occurrence or in the aggregate for multiple occurrences.	
• Data Restoration Related to Operational Disruption Expense	\$500,000	Per covered occurrence or in the aggregate for multiple occurrences.	
Total Aggregate Property Limit	\$200,000,000	In the aggregate annually for all property coverage and all limits for all ICRMP members collectively.	

General Liability

– Including Law Enforcement Liability and Sexual Molestation Liability

Coverage	Indemnification Limit For Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code	Indemnification Limit for All Other Claims	Defense Cost Limit for Liability Claims	Coverage Basis	Deductible
General Liability	\$500,000	\$3,000,000	\$2,000,000	Per covered occurrence.	No deductible for items listed in this section.
<ul style="list-style-type: none"> City/County Prosecutors or Appointed City Attorneys serving as Independent Contractors 		\$500,000		Per covered occurrence.	
<ul style="list-style-type: none"> Sewer Backup, Mold & Fungus Abatement and Remediation 		\$500,000		Per covered occurrence.	
<ul style="list-style-type: none"> Fire Suppression Liability 		\$500,000		Per covered occurrence.	
Law Enforcement Liability	\$500,000	\$3,000,000	\$2,000,000	Per covered occurrence.	
Sexual Molestation Liability – CLAIMS MADE COVERAGE	\$500,000	\$3,000,000	\$2,000,000	Per Claim Covered	

Automobile Liability

Coverage	Indemnification Limits For Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code	Indemnification Limits for All Other Claims	Defense Cost Limits for Liability Claims	Coverage Basis	Deductible
Automobile Liability (Outside State of Idaho)	\$500,000	\$3,000,000	\$2,000,000	Per covered accident.	No deductible for items listed in this section.
Automobile Liability (Inside State of Idaho)	\$500,000	\$500,000		Per covered accident.	
Automobile Medical Payments	\$5,000 \$100,000	\$5,000 \$100,000	\$0	Each person. Each accident.	
Uninsured/ Underinsured Motorists	\$100,000 \$300,000	\$100,000 \$300,000		Each person. Each accident.	

Errors and Omissions (Claims Made)

Coverage	Indemnification Limits For Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code	Indemnification Limits for All Other Claims	Defense Cost Limits for All Liability Claims	Coverage Basis	Deductible
Errors and Omissions	\$500,000	\$3,000,000	\$2,000,000	Per covered claim.	No deductible for items listed in this section.
<ul style="list-style-type: none"> City/County Prosecutors or Appointed City Attorneys serving as Independent Contractors 		\$500,000		Per covered claim.	
Employee Medical Insurance Benefit Liability	\$500,000	\$3,000,000		Per covered claim.	
Employment Practices Liability	\$500,000	\$3,000,000		Per covered claim.	

\$ 5,000,000 Indemnification Limit In the Aggregate Annually For Sections all Liability Sections Combined

\$ 3,000,000 Defense Cost Limit In the Aggregate Annually For Sections all Liability Sections Combined

Crime Insurance

-Including Coverage for Public Officials in Lieu of Surety Bond Requirements

Coverage	Limits	Coverage Basis	Deductible
Employee Dishonest	\$500,000	Per covered occurrence.	The first (\$500) of any loss in this section.
Loss Inside Premises	\$500,000	Per covered occurrence.	
Loss Outside Premises	\$500,000	Per covered occurrence.	

Machinery Breakdown/Boiler

Insuring Agreements	Limit of Indemnification	Coverage Basis	Deductible
Property Damage		Per covered occurrence.	The first (\$500) of any loss in this section.
Off Premise Property Damage	\$100,000		
Data or Media (Property)	\$1,000,000		
Data or Media (Bus. Income & Extra Expense)	\$5,000,000		
Ammonia Contamination	\$1,000,000		
Consequential Loss	\$1,000,000		
Hazardous Substance	\$500,000		
Water Damage	\$2,500,000		
Fungus	\$15,000		
Expediting Expenses	\$2,500,000	Per covered occurrence.	
Business Income and Extra Expense	Varies	Per covered occurrence.	
Spoilage Damage	\$1,000,000	Per covered occurrence.	
Utility Interruption	\$2,500,000	Per covered occurrence.	
Newly Acquired Premises	\$5,000,000	Per covered occurrence.	
Ordinance or Law	\$5,000,000	Per covered occurrence.	
Errors and Omissions	\$10,000,000	Per covered claim.	

Chemical Spraying

Insuring Agreements	Indemnification Limit For Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code	Indemnification Limit for All Other Claims	Defense Cost Limit for All Liability Claims	Coverage Basis
<i>Chemical Spraying Activities Liability CLAIMS MADE COVERAGE</i>	\$500,000	\$500,000	\$2,000,000	Per covered claim and/or in the aggregate for multiple claims.
<i>Emergency Clean-up Expense</i>		\$5,000 \$100,000	Not applicable	Each Person. Each Accident.

Endorsements

Coverage	Limits	Coverage Basis	Deductible
Accidental Discharge of Pollutants Endorsement #1	\$25,000	Per covered occurrence and/or in the aggregate for multiple claims.	The first (\$500) of any loss in this section.
Terrorism Insurance Physical Damage/Loss Endorsement #2	\$50,000,000	In the aggregate annually for ICRMP members collectively in the aggregate	The first (\$500) of any loss in this section.
Coverage Territory for Canada Amendatory Endorsement #3			
<ul style="list-style-type: none"> Section V-Property Insurance (all insuring agreements) 	\$500,000	Per covered occurrence	The first (\$500) of any loss in Section V.
<ul style="list-style-type: none"> Section VI-General Liability Insurance <ul style="list-style-type: none"> Insuring Agreements 1 & 2 Insuring Agreements 3 	\$500,000 \$500,000	Per covered occurrence Per covered Claim	No deductible for Endorsement #3.
<ul style="list-style-type: none"> Section VII-Automobile Liability Insurance <ul style="list-style-type: none"> Insuring Agreement 1 Insuring Agreement 2 Insuring Agreement 3 	\$500,000 \$5,000 \$100,000 \$100,000 \$300,000	Per Covered Accident Per Person Per Accident Per Person Per Accident	
<ul style="list-style-type: none"> Section VIII-Errors & Omissions Insurance (all insuring agreements) 	\$500,000	Per Covered Claim	
Public Land Fire Suppression Endorsement #4	\$500,000	Per covered occurrence and/or in the aggregate for multiple claims.	No deductible for Endorsement #4.

Producer of Record Letter for Quote Purposes

City, County or District Name

Governing Board Signature

Date Signed

Effective _____, 20__:

The below listed producer is our only authorized producer for the purpose of obtaining a property and casualty insurance quote on our behalf. We understand that ICRMP will release a quotation for our property and casualty insurance to our designated producer, and that by signing this letter, we are terminating the ability of any other agent to obtain a quotation or to bind property and casualty insurance with ICRMP (Idaho Counties Risk Management Program).

Producer: _____

Address: _____

***SPECIAL NOTE:** The named producer must be appointed by and authorized to represent ICRMP before quote will be released. The purpose of this document is to obtain a written statement signed by an insured advising an insurer that a particular producer has been selected to act as the insured's only representative with respect to the insurer. It is the intent of the above referenced public entity to replace any existing producer of record with the producer identified above. (Refer to State of Idaho Department of Insurance Bulletin Number 09-04)*