

AGENDA ITEM SUMMARY

DATE: 11/22/2010 DEPARTMENT: Legislative

DEPT. HEAD SIGNATURE: HD

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**SUBJECT:**

Approval of BCHA Contract for services

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**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

Terms and services of this proposed contract have been discussed throughout budget process. This contract for services represents certain improvements in structure to last year's contract. Although largely similar, it contains more measurable detail relative to the Services.

During this year's City Strategic Planning session, we identified that establishing and improving performance measures would be in the city's best interests. This proposed contract contains improved measurement detail. For example, Section 1.2.b has the following performance estimates: "Provide Notices of Intent to Sell a timely manner and work closely with potential buyers from pre-qualification counseling through closing to facilitate earliest possible sale. (Potential sales within Hailey in contract period: 11 BCHA units, 2 ARCH units. Re-sales of owned community homes generally occur at a rate of 3% to 5% per year.)"

Because the number of units expected to be handled for sale increased over last year, BCHA has asked for an additional fee in excess of \$500/month. Cooperatively, city staff and BCHA worked out an agreement to reduce BCHA's budget need by providing bookkeeping service, at an estimated value of \$3,500 over the course of the year. So, within this contract is an "exchange of service" partnership element - as BCHA provides staffing with expertise in housing, Hailey has made available staffing with expertise in bookkeeping.

There is one sentence of the draft contract which gives us concern: "The City of Hailey shall also provide BCHA with all bookkeeping services including but not limited to accounts payable, accounts receivable, payroll, taxes, and monthly financial statements." In fact, we do need to limit our Treasurer's time to exactly these functions, and not allow our assistance to escalate to the level of financial advisor or budget officer. We also need BCHA's contacts with our Treasure for bookkeeping work to be contained to no more than two times per month. We expect to spend up to 5 hours per month in performing this service, after an initial 10-hour set-up effort.

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**FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:** Caselle # \_\_\_\_\_  
Budget Line Item # \_\_\_\_\_ YTD Line Item Balance \$ \_\_\_\_\_  
Estimated Hours Spent to Date: \_\_\_\_\_ Estimated Completion Date: \_\_\_\_\_  
Staff Contact: \_\_\_\_\_ Phone # \_\_\_\_\_  
Comments: \_\_\_\_\_

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**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

Approve contract with BCHA with the following amendment: "The City of Hailey shall also provide BCHA with all bookkeeping services in twice per month increments exceeding no more than 5 hours per month following an initial 10-hour set-up, including but not limited to accounts payable, accounts receivable, payroll, taxes, and monthly financial statements."

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**FOLLOW-UP REMARKS:**

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## CONTRACT FOR SERVICES

THIS CONTRACT FOR SERVICES ("Agreement") is made and entered into as of \_\_\_\_\_, by and between the CITY OF HAILEY, IDAHO, a municipal corporation ("Hailey") and the BLAINE COUNTY HOUSING AUTHORITY, an Idaho housing authority ("BCHA") (Hailey and BCHA are collectively referred to as "Parties").

### RECITALS

A. Hailey is a municipal corporation duly organized and existing under the laws of the State of Idaho.

B. BCHA is an Idaho independent public body, corporate and politic, duly organized and operating under the laws of the State of Idaho.

C. BCHA has proposed to assist the City of Hailey with affordable housing product development, to act as a clearinghouse for information and maintain community housing guidelines and monitor occupancy compliance.

D. Pursuant to Idaho Code §§ 50-301 and 50-302, Hailey is empowered to enter into contracts and take such steps as are reasonably necessary to maintain the peace, good government and welfare of the City.

E. Hailey has deed restricted community housing units and anticipates the construction of additional deed restricted community housing units within its municipal boundaries. The deed restricted community housing units may be income based deed restricted units, workforce deed restricted units or other deed restricted units.

F. The Parties have previously entered into a Contract for Services with a term expiring September 30, 2010 ("2009/2010 Contract").

G. The Parties wish to extend and amend the 2009/2010 Contract and enter into a new contract for services.

H. The Parties recognize that i) BCHA is a central and experienced clearinghouse for candidates for deed restricted units and that BCHA is capable of monitoring compliance of deed restricted units, ii) the parties are supportive of appropriate modifications of the collection, analysis and presentation of data to better understand and identify the changing or varying needs within the different communities within Blaine County, iii) BCHA maintains the Blaine County Housing Guidelines, iv) the Guidelines are based on the needs identified in the Blaine County Needs Assessment, and v) the Guidelines are intended to supplement city and county land use and building codes.

I. Subject to the terms and conditions of this Agreement, the Parties desire to enter into this Agreement with BCHA providing certain services for the consideration set forth herein.

## AGREEMENT

NOW, THEREFORE, IN CONSIDERATION of the above recitals which are incorporated below, and of the mutual covenants and agreements herein contained and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Services Received. BCHA agrees to provide the following services to Hailey during the term of this Agreement:

1. Database Management:

- a. Maintain accurate, up-to-date database of qualified applicants for BCHA, ARCH Community Housing Trust, and other jurisdiction managed community housing. (BCHA and ARCH to utilize a "universal" application form and single, shared database.) Update application database annually on a quarterly rotation to keep database current.
- b. Match buyers and renters to available community housing units managed by BCHA as well as those managed by ARCH and other organizations or governmental entities.
- c. Provide data regarding the applicant database to the County, cities, developers and civic organizations requesting assistance in planning and allocating community housing.

2. Asset Management:

- a. Manage the BCHA inventory of for-sale and rental community housing. This includes, but is not limited to: (i) monitoring occupancy to ensure compliance with the applicable BCHA deed covenants at least once each annum, (ii) preserving housing stock by ongoing monitoring and enforcement, and (iii) providing referrals to counseling and consulting services to minimize any loss of community housing owners due to payment problems.
- b. Provide Notices of Intent to Sell a timely manner and work closely with potential buyers from pre-qualification counseling through closing to facilitate earliest possible sale. (Potential sales within Hailey in contract period: 11 BCHA units, 2 ARCH units. Re-sales of owned community homes generally occur at a rate of 3% to 5% per year.)

3. Communication and Educations Programs:

- a. Be a resource for homebuyer education (coordinate with Idaho Housing and Finance (IHFA) and College of Southern Idaho to provide first-time homebuyer course) and credit counseling. Provide services of a certified Home Counselor. Such programs result in community home applicants who are ready and able to purchase for-sale units.

- b. Provide information to persons in need regarding state and local assistance programs, e.g. rental referrals, tenants' rights, and loan modification and foreclosure prevention assistance.
- c. Improve regular communications to the entire Blaine County community (public at large, press, employers, real estate professionals, mortgage lenders) as well as the applicants and homeowners of Community Homes regarding BCHA programs, expertise, useful information and success stories.
- d. Provide regular (not less often than quarterly) reports and appearances (not less than semi-annually) before the County and cities regarding status of contract services.
- e. Provide online newsletter with current news, tips and information about programs, activities and educational opportunities regarding community housing.
- f. Hold Housing Fairs and/or employer visits, as needed, to educate and attract new candidates to the Community Homes Database of potential applicants.
- g. Update annually the BCHA Community Housing Guidelines and provide them to jurisdictions served.
- h. Continue to increase cooperation with Sustain Blaine/SVEDC and other organizations to meet challenges related to affordable housing for the workforce as a necessary component of county-wide sustainable economic development.

#### 4. Planning:

- a. Facilitate ongoing planning for community housing by providing information regarding local needs, demographic trends, and development standards to government entities and public/private development entities.
- b. Seek to engage full community participation/feedback in program planning and service quality assurance issues.
- c. Organize collaboratively with other entities involved in aspects of housing to create a county-wide strategic housing plan.

#### 5. BCHA will continue to cooperate with and support ARCH Community Housing Trust and other partners who may provide the following services during 2010/2011:

- a. Development and construction of new community housing.
- b. Origination of grant proposals and proposals for designated government funding sources for operations or development.

- c. Development of strategies for using in-lieu fees for buy-down, acquisition and/or subsidy programs.
- d. Development of programs with non-profits and other agencies and mortgage lenders to take advantage of foreclosure and bank-owned real estate opportunities.

Additional Services:

- a. BCHA shall enter into Notices of Intent to Sell for income and workforce based deed restricted units with applicable developers before a certificate of occupancy is issued for affordable units within a development. The Notices of Intent to Sell will allow the marketing of deed restricted units before the units are available for occupancy with the goal of reducing the period of non-occupancy.
- b. As may be requested, BCHA shall provide Hailey staff and/or officials with training and education relating to community housing and with information related to best practices regarding community housing and available resources for programs and services related to community housing, assistance with interpretation of the housing needs assessment and guidelines and input on development proposals related to the provision of community housing.

2. Term. The term of this Agreement shall commence and be effective on the 1<sup>st</sup> day of October, 2010, and shall terminate on the 30<sup>th</sup> day of September, 2011. Notwithstanding any contrary provision of this Agreement, either party may terminate this Agreement effective upon ninety (90) days advance written notice to the other for any reason or no reason. In addition, the Parties agree that in the event BCHA fails, refuses or is unable to provide the services set forth hereinabove, the same shall constitute a default under the terms of this Agreement, and that Hailey shall have the power to terminate this Agreement upon fifteen (15) days' advance written notice to BCHA. Furthermore, this Agreement shall be terminable by Hailey upon five (5) days' advance written notice if BCHA is adjudicated bankrupt, or subject to the appointment of a receiver, or has any of its property attached, or becomes insolvent, or is unable to pay its debts as the same become due.

3. Consideration. In consideration for providing the services described in paragraph 1 of this Agreement, BCHA shall receive the administrative fee as specified in the income based deed covenants and workforce deed covenants from the proceeds of the sales price at the time of closing. Following the execution of this Agreement, Hailey agrees to require an administrative fee of three percent (3%) of the gross sales price on all income based deed restricted units at the time of closing. For workforce market deed restricted units, Hailey agrees to require an administrative fee of three percent (3%) of the gross sales price, or two percent (2%) of the gross sales price in the event the seller has a signed listing agreement in effect with a realtor. In consideration for providing the services described in paragraph 1 of this Agreement, Hailey shall pay BCHA Five Hundred and no/100's Dollars (\$500.00) per month, beginning October 1, 2010, and continuing on the first day of every month thereafter for the term of this Agreement. The City of Hailey shall also provide BCHA with all bookkeeping services including but not limited to accounts payable, accounts receivable, payroll, taxes, and monthly financial statements.

4. Special Projects. The Parties anticipate that Hailey will need the assistance of BCHA to further interpret and analyze the housing needs assessment and revise Hailey standards to better respond to and address the housing needs of Hailey employers and residents and that it would be appropriate for the Parties to enter into an agreement specifying the scope of the services involving the needs assessment and ordinance revisions.

5. Miscellaneous Provisions.

A. Law Governing. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

B. Notices. Any notices permitted or required under this Agreement shall be deemed given upon the date of personal delivery or 48 hours after deposit in the United States mail, postage fully prepaid, return receipt requested, addressed to the Parties at the following addresses:

City of Hailey  
115 S. Main Street, Suite H  
Hailey, ID 83333

BCHA  
Post Office Box 550  
Hailey, ID 83333

or at any other address as any party may, from time to time, designate by notice given in compliance with this section.

C. Equal Employment Opportunity. BCHA covenants and agrees that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.

D. Hold Harmless Agreement. Any contractual obligation entered into or assumed by BCHA, or any liability incurred by reason of personal injury and/or property damage in connection with or arising out of BCHA's obligations pursuant to this Agreement shall be the sole responsibility of BCHA, and BCHA covenants and agrees to indemnify and hold Hailey harmless from any and all claims or causes of action arising out of BCHA's activities and obligations as set forth hereinabove, including, but not limited to, personal injury, property damage and employee complaints.

E. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and shall not be modified or changed in any manner, except by prior written agreement executed by the parties hereto. If any term or provision of this Agreement or application thereof shall be declared invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect.

F. Waiver. Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision, nor shall any waiver of any breach of any provision be a waiver of any succeeding breach of any provision or a waiver of the provision itself for any other provision.

G. Assignment. Except as otherwise provided within this Agreement, neither party hereto may transfer or assign this Agreement without prior written consent of the other party.

H. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Agreement, 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.

I. Presumption. This Agreement or any section thereof shall not be construed against any party due to the fact that this Agreement or any section thereof was drafted by a party.

J. Agreement Binding. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

K. Further Action. The parties hereto shall execute and deliver all documents, provide all information and take or forbear from all such action as may be necessary or appropriate to achieve the purposes of this Agreement.

L. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart.

M. Remedies. The rights and remedies provided by this Agreement 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 Agreement are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise. In the event of default, termination of this Agreement or dissolution of BCHA, Hailey shall have the right to demand that BCHA convey its interest in all Hailey income based deeds, workforce deeds or similar deeds to Hailey. In such an event of default, termination of this Agreement or dissolution of BCHA, Hailey shall have the right to pursue specific performance for the conveyance of BCHA's interest in the income based, workforce or similar deeds.

N. Severability. Every provision of this Agreement 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 Agreement.

O. Authority. Each signatory agrees that he or she has full authority and consent to sign this Agreement.

P. Amendment. This Agreement may be revised, amended, or canceled in whole or in part, only by means of a written instrument executed by the Parties.

Q. Interpretation. This Agreement shall be liberally construed in accordance with the general purposes of this Agreement and interpreted and enforced under the laws of the State of Idaho. No presumption shall exist in favor of or against any party to this Agreement as the result of drafting and preparing this Agreement. The headings in this Agreement 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 the Agreement or any provisions of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Contract for Services to be executed on the day and years first written above.

BLAINE COUNTY HOUSING AUTHORITY      CITY OF HAILEY

By \_\_\_\_\_  
Kathy Grotto  
Executive Administrator

By \_\_\_\_\_  
Richard L Davis  
Hailey Mayor

ATTEST:

By \_\_\_\_\_  
Hailey City Clerk

*The Blaine County Housing Authority's mission is to advocate, promote, plan and preserve the long-term supply of desirable and affordable housing choices in all areas of Blaine County in order to maintain an economically diverse and vibrant community.*

**AGENDA ITEM SUMMARY**

**DATE:** 11/22/10 **DEPARTMENT:** Legislative **DEPT. HEAD SIGNATURE:** HD

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**SUBJECT:**

Contract with Hailey Chamber of Commerce for expense of \$68,000 in LOT funds for various services during fiscal year 2010/2011.

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**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

This draft contract for services is very similar in structure to last year's contract. Accompanying the proposed contract is a 2011 budget, the last Quarterly Report, and last year's total expenses by category.

During this year's City Strategic Planning session, in which the Chamber was a participant, we identified that establishing and improving performance measures would be in the city's best interests. We have used many such measures in our grant applications, which is one of the strong elements of those applications, establishing a firm plan and the funder's trust that specific accomplishments will be made. A brief example of such measurements is excerpted from the LEED Interpretive Center marketing component of our EPA Showcase grant (not the LEED construction component)

**Deliverables:**

- One (1) GHG/LEED Interpretive Exhibit
- Three (3) On-Site Demos/Pres.-Tech Stakeholders
- Monthly City Newsletter Updates
- Two (2) Technical Stakeholder Post Const. Tours
- Six (6) Media Releases
- Two (2) General Public Post Const. Tours

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**FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:** Caselle # \_\_\_\_\_  
 Budget Line Item # \_\_\_\_\_ YTD Line Item Balance \$ 6 \_\_\_\_\_  
 Estimated Hours Spent to Date: \_\_\_\_\_ Estimated Completion Date: \_\_\_\_\_  
 Staff Contact: \_\_\_\_\_ Phone # \_\_\_\_\_  
 Comments: \_\_\_\_\_

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**ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:** (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	_____
___ Safety Committee	___ P & Z Commission	___ Police	_____
___ Streets	___ Public Works, Parks	___ Mayor	_____

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**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

Except for dollar limitations, the Chamber Contract contains very few quantitative measurements, and no qualitative measurements. For example, Section 3A states that "the Chamber shall continue to advertise and increase advertising for current special events in Hailey." If event producers complain that events are poorly attended because of inadequate advertising, we have not developed any contract language by which to address that. Another example: Section C states simply "the Chamber shall coordinate seasonal decorating within Hailey - \$5,000". What specifically does that mean, what are the costs of "coordination" outside of salary costs, and should that information be detailed in the contract so that we have an enforceable contract?

Review and recommend amendments to contract.

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**FOLLOW-UP REMARKS:\***

**CONTRACT FOR SERVICES**  
(City of Hailey and the Hailey Chamber of Commerce)

THIS CONTRACT FOR SERVICES ("Agreement") is made and entered into this 22<sup>nd</sup> day of November, 2010, by and between the CITY OF HAILEY, an Idaho municipal corporation (hereinafter referred to as "Hailey") and the Hailey Chamber of Commerce, an Idaho non-profit corporation (hereinafter referred to as "Chamber").

**RECITALS**

A. Hailey is a resort city, as defined by Idaho Code § 50-1044, deriving the major portion of its economic well-being from businesses catering to recreational needs and the needs of people traveling to Hailey for an extended period of time;

B. Hailey has the authority to enter into contracts and to take such steps as are reasonably necessary to maintain the health, safety and welfare of the City which includes the promotion of its trade, commerce, and industry;

C. The voters of Hailey approved Hailey Ordinance Number 950, which imposes a local option tax pursuant to Idaho Code § 50-1044;

D. Taxes collected pursuant to such ordinance shall be used, among other things, for City promotion, visitor information, special events and economic development;

E. The Chamber has public relations abilities and is experienced in providing advertising and marketing services for the advancement of the trade, commerce, and industry of the tourism-based economy of Hailey;

F. The Chamber desires to create a strong economic climate, to provide tourism marketing and to provide the best possible information and service to Hailey area visitors, all of which are consistent with the purposes and findings of Ordinance No. 950;

G. It is in the best interest of the public health, safety, welfare, and prosperity of the City to provide general information to and encourage tourists to visit Hailey area by means of marketing and promotion and to participate in lawful activities which promote and enhance the trade, commerce and industry of the City. These activities are determined to be ordinary and necessary expenses for the economic well-being of Hailey and its residents and guests;

H. Hailey desires to contract with the Chamber for professional services to provide visitor information and the promotion and marketing of the City and its special events;

I. The parties acknowledge and agree that all funds paid to the Chamber under this Agreement shall be used to provide services for Hailey for the legitimate public purposes of promoting the Hailey area to attract visitors and businesses, providing information about the community for the benefit of visitors and businesses, operating a visitor information center,

increasing employment opportunities to the residents of Hailey, enhancing special events for residents and visitors and increasing tax revenues; and

J. Subject to the terms and conditions of this Agreement, the parties wish to enter into this agreement to provide the services described herein.

## AGREEMENT

NOW THEREFORE, Hailey and the Chamber, for and in consideration of the recitals, mutual promises and covenants hereinafter set forth, do hereby agree as follows:

1. Consideration. In consideration for providing the services provided herein, Hailey agrees to pay Chamber the maximum sum of SIXTY EIGHT THOUSAND DOLLARS (\$68,000). Subject to the terms and conditions set forth herein, quarterly installments shall be made within the fiscal year on or before January 25, 2010, and continuing on the 25<sup>th</sup> day of the first month of each quarter thereafter (April, July, and October), through the term of this Agreement.
2. Term. Unless terminated pursuant to Section 7(B) of this Agreement and notwithstanding the date of execution hereof, this Agreement shall be in effect from October 1, 2010, until September 30, 2011.
3. Scope of Services. The Chamber shall provide the following services:
  - A. Hailey Business Promotion and Special Events. The Chamber shall provide services to operate, manage, provide and supervise the distribution of visitor information to the general public and provide professional marketing services to promote the Hailey area in accordance with this Agreement. The Chamber shall advertise Hailey businesses in multi-media. The Chamber shall continue to advertise and increase advertising for current special events in Hailey, such as the Fourth of July activities, Northern Rocky Folk Festival, Trailing of the Sheep, and Holiday Parade. The Chamber shall actively promote and create at least one new special event in Hailey during periods when there are no special events within Blaine County. The Chamber shall coordinate existing events between the chambers of commerce in other Blaine County municipalities to avoid scheduling conflicts with different events. (Maximum payment \$21,000)
  - B. Visitor Services. The Chamber shall provide literature, advertising, staff, supplies, equipment and support associated with an educational awareness program designed to promote the Hailey area as a destination for visitors. The Chamber shall develop, arrange and pay for the costs of printing, and distribute the literature necessary to promote the Hailey area to visitors. The Chamber shall also travel to and identify and conduct activities and programs encouraging potential visitors to use the Hailey area as a destination. The Chamber shall coordinate its activities in coordination with other visitor promotional entities. The Chamber shall lease space on Main Street, Hailey, Idaho or any other suitable location within the city and provide advertising for Hailey businesses, and brochures, maps and similar promotional

materials for Hailey businesses for visitors. The Chamber shall also provide professional relocation and information packets for distribution by mail and other means. The Chamber shall offer information and answer all inquires from visitors and the general public and shall produce adequate supplies of brochures, pamphlets, fact sheets, and similar materials that can be handed out or mailed, free of charge to the public. (Maximum payment \$13,000)

C. Town Improvement. The Chamber shall coordinate seasonal decorating within Hailey. (Maximum payment \$5,000)

D. Marketing and Public Relations. The Chamber shall update the Chamber's website and to provide additional information about Hailey's businesses, events and amenities. The Chamber shall advertise Hailey events both locally and regionally. The Hailey Chamber will promote Hailey regular distribution of press releases. The Hailey Chamber will develop a downtown guide. The Hailey Chamber will coordinate with Hailey events visitor packages that include lodging and dining. (Maximum payment \$8,000)

E. Economic Development/Relocation for New Business. The Chamber shall actively recruit and promote the relocation of a business and facilitate a business' relocation to Hailey.

F. Staffing: Continue to employ and develop an Assistant Director to assist the Executive Director in all Chamber activities. The amount established herein is based on matching costs/funds of the salary and payroll taxes for the new employee. (Maximum payment \$21,000)

4. Budget, Annual Work Plan, Reports and Availability of Records.

A. Budget. Within thirty (30) days after the execution of this Agreement, the Chamber shall submit a final operating budget for the Chamber, which is satisfactory to Hailey, for the fiscal year 2010/2011, showing income, expenses and particular fund balances. The operating budget shall contain sufficient information and detail to permit meaningful review by the public.

B. Quarterly Reports. The Chamber shall submit a written quarterly performance report to the Hailey City Council on the services provided hereunder, as well as an accounting of the actual expenditures of Hailey funds in relation to the Budget. In addition, after the submittal of the written report, the Chamber shall present the quarterly performance report to the Hailey City Council at the next regular City Council meeting.

C. Monthly Reports. The Chamber shall keep a record of all written and oral inquires received and all information distributed during the contract period for the services to be provided under this Agreement and shall submit a monthly statistical report to Hailey of these activities beginning on October 1, 2010, and continuing on the fifteenth business day of every month thereafter during the term of this Agreement. The monthly reports shall be submitted to

Hailey for the purpose of justifying and receiving quarterly payments.

D. Financial Accounting and Reporting Requirements. The Chamber shall submit to Hailey a year end financial statement which shall be prepared in a format that details the expenditure of Hailey funds paid to the Chamber under the terms of this Agreement. The City may request additional financial information it deems necessary or appropriate to assist the City in verifying the accuracy of the Chamber's financial records. Any duly authorized agents of the City shall be entitled to inspect and audit all books and records of the Chamber only for compliance with the terms of this Agreement. In the event the financial report indicates that funds were used for purposes not permitted by this Agreement, the Chamber shall remit the disallowed amount to Hailey within 30 days of notification by Hailey of such improper expenditures.

E. General Requests. Upon request, and within a reasonable time period, the Chamber shall submit any other information or reports relating to its activities under this Agreement to Hailey in such form and at such time as Hailey may reasonably require.

F. Retention of Records. The Chamber agrees to retain all financial records, supporting documents, statistical reports, client or membership records and contracts, property records, minutes, correspondence, and all other accounting records or written materials pertaining to this Agreement for three (3) years following the expiration or termination of this Agreement. Hailey, at its own expense, may review or audit the financial transactions undertaken by the Chamber under this Agreement to ensure compliance with the terms and conditions herein with reasonable prior notice and during the normal business hours of the Chamber.

5. Quarterly Payments. To receive payments for the services described in paragraphs 3(A) through (F) of this Agreement, inclusive, the Chamber shall submit the monthly reports described in paragraph 4(C) of this Agreement. The quarterly sum to be paid to the Chamber shall not exceed the actual costs described in these reports, and aggregately shall not exceed the contract amount of \$68,000. The maximum payment amount may be exceeded by 10% with approval of the Hailey City Administrator, provided that the contract amount of \$68,000 is not exceeded.

6. Record of Funds. In order to insure proper financial accountability, the Chamber shall maintain accurate records and accounts of all funds received from Hailey, keeping such accounts and records separate and identifiable from all other accounts, and making such accounts and records available to the City during normal business hours, on request of the City. Compliance with this provision does not require a separate bank account for the funds. The funds paid to the Chamber by Hailey shall be expended solely for operations and activities in conformance with this Agreement. Further, no such funds shall be transferred, spent, loaned or encumbered for other Chamber activities or purposes other than for operations and activities in conformance with this Agreement.

7. Miscellaneous Provisions.

A. Notices. All notices to be served pursuant to this Agreement or which are served with regard to this Agreement shall be sent by certified mail, return receipt, to the parties at the following addresses:

City of Hailey  
115 Main Street So.  
Hailey, Idaho 83333

Hailey Chamber of Commerce  
P.O. Box 100  
Hailey, Idaho 83333

All notices of changes of addresses shall be sent in the same manner.

B. Termination. The parties hereto covenant and agree that in the event Hailey, in its sole and absolute discretion, lacks sufficient funds to continue paying for Chamber's services under this Agreement, Hailey may terminate this Agreement without penalty upon thirty (30) days written notice. Upon receipt of such notice neither party shall have any further obligation to the other. In the event of early termination of this Agreement, the Chamber shall submit a report of expenditures to Hailey. Any Hailey funds not encumbered for authorized expenditures at the date of termination shall be refunded to Hailey within twenty (20) days.

C. Independent Contractor. Hailey and Chamber hereby agree that the Chamber shall perform the Services exclusively as an independent contractor and not as employee or agent of Hailey. The Parties do not intend to create through this Agreement any partnership, corporation, employer/employee relationship, joint venture or other business entity or relationship other than that of independent contractor. Chamber, its agents and employees shall not receive nor be entitled to any employment-related benefits from Hailey including without limitation, workers compensation insurance, unemployment insurance, health insurance, retirement benefits or any benefit that Hailey offers to its employees. Chamber shall be solely responsible for the payment of all payroll and withholding taxes for amounts paid to Chamber under this Agreement and for Chamber's payments for work performed in performance of this Agreement by Chamber, its agents and employees; and Chamber hereby releases, holds harmless and agrees to indemnify Hailey from and against any and all claims or penalties, including without limitation the 100% penalty, which in any manner relate to or arise from any failure to pay such payroll or withholding taxes.

D. Compliance With Laws/Public Records. Chamber, its agents and employees shall comply with all federal, state and local laws, rules and ordinances. This Agreement does not relieve Chamber of any obligation or responsibility imposed upon Chamber by law. Without limitation, Chamber hereby acknowledges that all writings and documents, including without limitation email, containing information relating to the conduct or administration of the public's business prepared by Chamber for Hailey, regardless of physical form or characteristics may be public records pursuant to Idaho Code §§ 9-337 *et seq.* The Chamber further acknowledges that, subject to certain limitations, the public may examine and take a copy of all such public writings and records. Accordingly, Chamber shall maintain such writings and records in such a manner that they may readily identified, retrieved and made available for such inspection and copying.

D. Non-assignment. This Agreement may not be assigned by or transferred by the Chamber, in whole or in part, without the prior written consent of Hailey.

E. Hold Harmless Agreement. The Chamber shall indemnify, defend and save and hold harmless Hailey, its officers, agents, and employees, from and against any and all claims, loss, damages, injury or liability, including but not limited to, the misapplication of Hailey funds, state or federal anti-trust violations, personal injury or death, damages to property, liability arising out of the use of materials, concepts, or processes protected by intellectual property rights and liens of workmen and material men, howsoever caused, resulting directly or indirectly from the performance of the Agreement by the Chamber.

F. Entire Contract. This Agreement contains the entire contract between the parties hereto and shall not be modified or changed in any manner, except by prior written contract executed by both parties hereto.

G. Succession. This Agreement shall be binding upon all successors in interest of either party hereto.

H. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.

I. Law of Idaho. This Agreement shall be construed in accordance with the laws of the State of Idaho.

J. Severability. If any clause, sentence, or paragraph of this Agreement is held by a court of competent jurisdiction to be invalid for any reason, such decision shall not affect the remaining portions, and the parties do now declare their intention that each such clause, sentence, or paragraph of this Agreement is a separate part hereof.

K. Preparation of Contract. No presumption shall exist in favor of or against any party to this Agreement as a result of the drafting and preparation of the document.

L. No Waiver. No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.

M. Attorney's Fees. In the event either party hereto is required to retain counsel to enforce a provision of this Agreement, to recover damages resulting from a breach hereof or if either party defaults in the performance of this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable attorney's fees incurred herein or on appeal.

N. Conflict of Interest. No officer or director of the Chamber who has decision making authority either by himself or by vote, and no immediate family member of such individual, shall have a direct pecuniary interest in any contract or subcontract for work to be performed in connection with this Agreement. The Chamber shall incorporate or cause to be incorporated in all such contracts, a provision prohibiting such interest pursuant to this provision.

IN WITNESS WHEREOF, the parties hereto have caused this Contract for Services to be executed on the day and year first written above.

**CITY OF HAILEY**

**HAILEY CHAMBER OF  
COMMERCE**

\_\_\_\_\_  
Rick Davis, Mayor

\_\_\_\_\_  
Heather LaMonica Deckard, Executive Director

\_\_\_\_\_  
Dale Ewerson, Board President

ATTEST:

\_\_\_\_\_  
Mary Cone  
City Treasurer/Clerk

**Hailey Chamber of Commerce  
FY 2010/2011 Budget**

<b><i>Income</i></b>	<b><i>Total</i></b>
Contract - City of Hailey	68,000
Membership Dues	47,500
Sponsorship Income	11,000
Idaho Travel Council Grant	11,000
Donation/Auction Income	5,500
Coop Income	2,800
Advertising revenue	1,250
Registration Income	2,900
Vendor Income	7,154
Interest	600
Sales	600
miscellenous income	820
<b>Total Income</b>	<b>159,124</b>

<b><i>Expenses</i></b>	
Accounting	3000
Advertising	9700
Bank Service Fees	360
Computer Maintenance/software	300
Design and Production	6200
Printing and Reproduction	200
Fulfillment	660
Downtown Beautification	5000
Dues and Subscriptions	850
Equipment Rental	2556
Facilities Maintenance and Repair	400
Insurance Expense	2800
Licenses and Permits	1000
Meals and Entertainment	100
Meetings and Conferences	1200
Office Supplies	750
Event Supplies	1600
Payroll and Payroll Expenses	90548
Promotion Expense	150
Rent	12000
Entertainer/Awards Expense	2000
Sponsor and Partnership Expense	2000
Telephone and Communications	2250
Travel Expense	1000
Venue Expense	700
Web Maintenance/Hosting Expense	6000
Web and Socail Media Maintenance/Hosting Expense	5700
<b>Total Expenses</b>	<b>159024</b>
<b>Total Profit/Expense</b>	<b>100</b>



# HAILEY CHAMBER OF COMMERCE

# 2010 Quarterly Report

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4th Quarter

June 30<sup>th</sup> – September 30th

Hailey Chamber of Commerce contract for services report to the City of Hailey.

## Hailey Chamber of Commerce

The mission of the Hailey Chamber of Commerce is to promote and support our membership, businesses and community while maintaining and enhancing our quality of life.

### Visitor Services

#### *Visitors*

During the 4<sup>th</sup> quarter of the 2009/2010 contract for services The Hailey Chamber of Commerce and Visitors Bureau provided visitor support services to 1673 individuals (1167 via telephone and web/ email inquiries and 506 visitors to the Hailey Visitors Center). We offer visitor information, and refer visitors to area businesses, activities and events. In the 4<sup>th</sup> Quarter the Hailey Chamber of Commerce assisted approximately 27 visitors per working day.

#### *Conference and Convention Support*

The Hailey Chamber of Commerce provided support services for two large conferences that took place in the Wood River Valley. The Chamber coordinated conference specific business offerings from Hailey retailers and restaurants and created Hailey visitor packets for several hundred conference participants.

### Events and Programs

The Hailey Chamber works year round on event promotion and creation. Creating and maintaining events is an integral part of keeping business in Hailey thriving. The following events took place from June 30<sup>th</sup> – September 30<sup>th</sup> with support of the Hailey Chamber.

#### *Hailey 4<sup>th</sup> of July Celebration*

The Hailey Chamber partnered with several organizations to produce events and activities over the 4<sup>th</sup> of July holiday. Partners included The City of Hailey, Blaine County Recreation District, Sawtooth Rangers, South Valley Merchants Alliance and Road and Dirt. 4<sup>th</sup> of July Celebration events spanned four days from Thursday, July 1<sup>st</sup> through Sunday, July 4<sup>th</sup>. Events included 1<sup>st</sup> Thursdays, several antique markets, Days of the Old West Rodeo, live music, children's carnival, Black Jack Ketchum Shoot Out, and parade.

#### *Hailey Night of Music (July 12<sup>th</sup>) and July Month of Art*

The Hailey Chamber of Commerce sponsored the Hailey Night of Music and the July Month of Art. Support for the events included a financial contribution as well as 60 radio ads.

#### *Northern Rockies Folk Festival August 6-7<sup>th</sup>*

The Hailey Chamber sponsored and supported the Northern Rockies Folk Festival with a financial contribution, radio ads, newspaper ads, press releases and volunteers.

#### *On Last Summer Night August 30<sup>th</sup>*

At the request of Hailey restaurants, the Hailey Chamber produced One Last Summer Night of Music. Eight Hailey restaurants participated by hosting live music the last Monday night of August.

#### *1<sup>st</sup> Thursdays*

The Hailey Chamber partner with the South Valley Merchants Alliance with multiple events designed to promote shopping locally. We support this monthly event with radio advertising, newsletter articles, press releases and full page ads in the Weekly Paper program.

Additionally we coordinated musical entertainment and a contest that coincided with 1<sup>st</sup> Thursday to encourage attendees to visit multiple businesses on 1<sup>st</sup> Thursday. Over 35 Hailey businesses participated in 1<sup>st</sup> Thursdays in the fourth quarter.

#### *In-kind support for Hailey Events*

The Hailey Chamber of Commerce provides support to a number of events through in-kind goods and services. The support that the Chamber offers allows events to expand their marketing reach. Events that received in-kind support (donation of radio ads, poster, flyer, and program printing, and press release distribution) include, The Friends of the Hailey Library Garden Tour, The Advocates Walk-a-Day, SCAA Auto Cross, Kiwanis Car Show (also received small cash sponsorship), and the Hailey Museum Smithsonian Exhibit.

#### *Volunteer Support for Community Events*

Hailey Chamber has a very active board and volunteer base. Chamber volunteers contributed over 200 hours to support the above mentioned events and programs.

### **Marketing and Public Relations**

#### *Airport Welcome Kiosk*

We continue to maintain a hospitality and information kiosk to welcome visitors to the Wood River Valley and provide them with travel information. This booth is also stocked with Hailey business seasonal offerings.

#### *Wood River Radio Contract*

We have contracted Wood River Radio (KECH and KSKI) for regular advertising time and utilize that contracted time to promote area events, and Hailey businesses. Approximately 300 ads were designated to the promotion of the 4<sup>th</sup> of July, Fireworks Fundraising, A Hailey Night of Music, the SCAA Auto Cross, July Month of Art, 1<sup>st</sup> Thursdays, Northern Rockies Folk Festival, Business After Hours, and a business grand opening event.

#### *Regional Marketing*

The Hailey Chamber participated in a co-op ad published twice in the Cattleman's Association Convention Magazine that welcomed the association to town and encouraged them to shop and dine in Hailey.

The Hailey Chamber promoted the City of Hailey, visitor services, and events in Hailey in a two page Source Magazine advertisement.

## Hailey Business Promotion

### *Grand Openings and Ribbon Cuttings*

During the 4th Quarter the Hailey Chamber helped to coordinate, organize and promote several ribbon cuttings and grand openings which included the opening of The Yellow Brick Road, The Red Door Gallery, Chic Nail Boutique, and Aqua Pro.

### *Chamberbucks Program*

Hailey Chamberbucks is a program designed to promote shopping locally. In the fourth quarter \$715 in Chamberbucks were sold.

### *Community Support and Projects*

Chamber is currently involved in multiple projects that are related to improving our business, economy and community life in Hailey. In the last quarter we participated in: Sustain Blaine, Fly Sun Valley Alliance, Hailey Arts Commission, South Valley Merchant's Alliance, Trailing of the Sheep, the Northern Rockies Folk Festival, the downtown revitalization effort, the Nordic Festival, and the Mayor's Economic Development Task Force.

### *Hailey Downtown Strategy*

The Hailey Chamber continues to serve on a City committee which developed the Downtown Strategy. The Hailey Chamber continued to support the Downtown Strategy by surveying businesses about their concerns and interest for downtown Hailey. The Executive Director worked with City staff to reach out to business downtown and on River Street and educate them about the downtown strategy and gain input on potential River Street improvements.

### *Economic Development Activities*

The Hailey Chamber serves on the following committees and boards working on economic development, Sustain Blaine, The Mayor Economic Development Team, and the Downtown Strategy Committee. Additional economic development activities of the Chamber include, participating in a meeting and tour of the Idaho Department of Commerce and Labor in Boise to learn how the IDC could be of use in recruiting businesses to Hailey, participation in the IDC tour of Hailey, as well as approaching regional businesses not in competition with local businesses to open a business in Hailey. The Hailey Chamber was successful in recruiting Poindexter's to open a costume shop in Hailey during the month of October. In the fourth quarter the Hailey Chamber tailored relocation packages to approximately 25 health care providers about moving their practice to Hailey.

## City Beautification

### *Flowers on Main Project Report*

Over 30 whiskey barrels and four hanging baskets line Hailey's Main Street. This year Beautification Committee worked with Hailey businesses to water the plants. Community volunteers and Chamber staff also watered the flowers. Chamber staff and a volunteer inserted 3 flags into each barrel to create a patriotic theme downtown.

Hailey Chamber of Commerce  
Monthly Report for Services

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	TOTAL
Visitor Inquiries:													
EMAIL	683	435	320	221	348	287	340	390	302	185	220	186	3917
VISITORS	180	78	88	41	53	113	152	179	271	159	240	177	1731
PHONE	120	95	137	96	129	146	190	258	485	212	159	135	2162
Expenses:													
<b>Special Events and Business Promotion</b>													
Airport Hospitality		140		216					41				356
Wake Up/BAH Expense		175				200			300			600	1,275
1st Thursday Ladies Night						217							217
Staycation - KECH													125
1st Thursday Event Permit							417	417	417	517	417	467	2,652
Radio Advertising							125						125
Month of Art Permit								105		213	214		696
Business Support/ Copier										500	625	201	306
Advertising													1,125
Night of Music - Performers													125
Night of Music Permit													120
Night of Music Design													537
OP Weekly Paper							390				109		600
OH City Promotion		300	300										1,762
Special Event Insurance 2010							1,762	191					1,911
Community Awards													1,000
No. Rockies Folk Festival Sponsor						1,000							1,000
Special Event Banner/Main street								240				1,025	1,025
Kids Summer Carnival										175			240
Annual Auto Show Sponsorship										500			748
Trailing of the Sheep		248						1,724	16				2,389
Springfest Expenses		500	149					395					395
Springfest Advertisement								100					100
Sun Valley Rhythm and Ride Fest.					125								415
Staycation/Scavenger hunt									1,500				1,500
Shoot Out Gang for the 4th									2,233				2,233
4th of July Advertisement									550				550
4th of July Parade Expense									150				150
4th of July Parade Announcer									450				450
4th of July Parade Winners													5,000
4th of July Joint Fundraising													814
4th of July Parade permit and banner fees		225							589				225
Halloween Hoopla Permit/Banner													275
Christmas Parade Permit/Banner		50											100
Ski the Rails in Hailey				100									391
Restoration of city sheep wagon		391											515
Promotional signs/event sign	906	1,638	449	316	125	1,707	2,694	3,172	6,353	1,905	1,490	8,249	29,042





**AGENDA ITEM SUMMARY**

DATE: 11/22/10 DEPARTMENT: PW - Parks DEPT. HEAD SIGNATURE: 

**SUBJECT:** Council discussion of Multi-Use Arena Management Policies

**AUTHORITY:**  ID Code \_\_\_\_\_  IAR \_\_\_\_\_  City Ordinance/Code \_\_\_\_\_  
(IF APPLICABLE)

**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

The attached documents are an outline of the Management & Operating Policies for the Multi-Use Arena and a spreadsheet showing comparisons with other similar arenas. The Parks & Lands Board discussed these policies at their August, September, October and November meetings. Discussion of these policies by council is requested. Revisions to the policies will be brought back to the council at a later meeting.

**FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:** Caselle # \_\_\_\_\_  
Budget Line Item # \_\_\_\_\_ YTD Line Item Balance \$ \_\_\_\_\_  
Estimated Hours Spent to Date: \_\_\_\_\_ Estimated Completion Date: \_\_\_\_\_  
Staff Contact: Tom Hellen Phone # 788-9830 Ext 14  
Comments:

**ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:** (IF APPLICABLE)

____ City Attorney	____ Clerk / Finance Director	____ Engineer	____ Building
____ Library	____ Planning	____ Fire Dept.	_____
____ Safety Committee	____ P & Z Commission	____ Police	_____
____ Streets	____ Public Works, Parks	____ Mayor	_____

**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

**ADMINISTRATIVE COMMENTS/APPROVAL:**

City Administrator \_\_\_\_\_ Dept. Head Attend Meeting (circle one) Yes No

**ACTION OF THE CITY COUNCIL:**

Date \_\_\_\_\_

City Clerk \_\_\_\_\_

**FOLLOW-UP:**

\*Ord./Res./Agmt./Order Originals: Record \*Additional/Exceptional Originals to: \_\_\_\_\_

**DRAFT MANAGEMENT & OPERATING POLICIES**  
**RODEO PARK**  
**November 2010**

**Multi-Use Arena:**

**Goal:**

Facility gets used more than just the 4<sup>th</sup> of July.  
The facility is self-sustained with user fees.

**Long term Agreement with Rangers:**

1. The Rangers want a long-term agreement in writing. The Parks & Lands Board suggests a 20 year initial term, with 10-year renewal.
2. The Rangers want the 4<sup>th</sup> of July dates reserved for their use year after year, for as long as they want. Suggested: by December 31<sup>st</sup>, the Rangers have first option on dates throughout the year, including specific dates for the 4<sup>th</sup> of July Rodeo. Except for those dates requested by the Rangers, the facility will be available for other events.
3. The Sawtooth Rangers have requested that no other professional rodeo event shall use the rodeo arena, as the 4<sup>th</sup> of July Rodeo is the fundraising event for the Wood River Lions and Rangers. This would not exclude high-school rodeo events, bull riding events, cutting horse events, or non-professional rodeos. (The Board discussed, but discarded, allowing other professional rodeo events after say, August 1, to not compete with the Rangers.)
4. The Rangers' fee to use the arena will be the going rate for all users. (This may be negotiated otherwise within the long-term agreement with the Rangers, but this is the initial recommendation of the P&L Board).

**Operating/Management**

1. Need standards for cleanliness and for use of city's preferred products (organic, etc.)
2. Facilities will be left clean by the event. Restroom cleaning by City contractor, Outdoor clean-up by renter. City supplies all restroom supplies and contractor restocks.
3. A Seasonal Event Permit would allow for regularly-scheduled recurring recreational use by a local community group such as a weekly 4-H riding club, practice riding, or similar recreational uses.
4. ~~Non-ticketed events, such as 4H events, Boy Scouts, etc., may expect to use the facility for free. The P&L Board and the city want these events, but not at a cost to taxpayers. The facilities must pay for themselves. There will be continued discussion on this item.~~

5. For now, there should **not** be a limit on the number of events per month. The arena is not a park and should not be subject to current park regulations that limit the number of special event reservations per month.

6. (Is this a special-event venue? What is usual and customary to the use of this facility?) The P&L Board has recommended that anything goes for the first two years. Events should be a problem before they are disallowed, and if so, the city should have the right to do so. **Staff prefers that events at this arena not require a Special Event permit, and recommends that a list of expected and customary uses be developed for the arena.**

### **Fees, Deposits and Reservation Policies**

1. The Sawtooth Rangers have the 4<sup>th</sup> of July week reserved for their use. They need to let us know what specific dates they need for the rodeo as soon as possible. They also need to let us know what other dates they need for additional events as soon as possible.

2. The arena can be reserved as far in advance as event promoters want, as long as all deposits are paid in advance. This would allow a concert promoter, for example, to reserve the arena in November for a July concert, or even for a concert the following year.

3. By April 1<sup>st</sup>, events need to have reserved the arena for **guaranteed** dates. This would include Seasonal Use events ("dirt time" uses). Events can reserve the arena on short notice, providing the arena is available. The Board did not want to force a recurring community use, such as a weekly riding club, to be bumped for a late-booking concert.

4. **Community groups are limited to use of the arena Tuesday through Thursday.** This would leave the weekends available for larger events and reduce the potential for reservation conflicts.

5. A refundable Security Deposit of \$500 plus ½ of rental fee is due when reserving the facility. All remaining fees are due 90 days in advance.

6. If the event is cancelled more than 90 days in advance, the security deposit and ½ of the reservation deposit is refundable. Cancellations less than 90 days in advance forfeit all reservation fees; the security deposit is refunded.

7. *What's the difference between a security deposit and a cleaning deposit?* (Note: A security deposit would be for damage to the facility while a cleaning deposit would be for if cleaning of the bleachers and grounds, not the restrooms, was inadequate. TH)

8. **Rental rates are still to be determined.**

### **Additional Discussion Points:**

1. Insurance requirements – Match existing policy or raise minimum insurance requirement (\$1 million liability)? (Board leaves this to staff recommendation.)

2. Event Staffing by renter - \$\$ for call-outs of City Staff? (*unclear what this was.*)

3. Extra restroom facilities – set standard using park reservation standards. (*unclear*)

4. Glass containers not allowed.

5. Parking Limitations: only Sawtooth Rangers have permission to use Hailey Elementary areas for 4<sup>th</sup> of July Rodeo Event parking. All other events have to make their own arrangements. Special Event shuttles are (strongly recommended or required?) Parking arrangements by user are to be reviewed by staff in the permit process. Staff can make suggestions, such as special event shuttles, but the permittee has to make arrangements that meet staff approval. Note: The Board has concerns with parking conflicts with Hailey Ice Arena summer events. How are events' parking needs for the outdoor arena coordinated with parking needs for the ice arena?

6. The city reserves the right to refuse rental depending on event planned.

7. Advertising Signs – special consideration for events? P&Z input needed (*Unclear. The signage for the entire property has yet to be developed for review. Temporary signage, such as sponsor banners in the arena at the rodeo, are customary and expected.*)

8. Event organizers should be able to advertise their events on site. While the existing marquee sign would be an ideal sign for that, it belongs to the school district who controls what is displayed on the marquee. The Board recommends removal of the school district's marquee sign because: a, it is in the middle of the proposed skate plaza and presents a hazard to skaters; b, it adds to the appearance that the arena is a high school football arena; and c, the city has no control of what is displayed on the sign.

## **Hailey Ice Arena**

### **Goal:**

Facility gets used for public recreation year round

The facility is self-supporting through user fees and an endowment from the donor

### **Long term Lease Agreement with Hailey Ice**

1. The facility will be built with private (donated) funds and upon completion, will be given to the city.

2. Hailey Ice will lease the facility and operate it with a twenty-year lease, with three 10-year renewal periods added.

3. Hailey Ice will be charged nominal rent.

**4. The Facility will be managed by a Board of Directors, of which at least one member will represent the city. (Verbal agreement only at this point. No formal agreement in place.)**

5. The facility may be available occasionally for other events, although what those events would be and how they would be managed is unknown.

6. The entire parking area has to be used exclusively for the 4<sup>th</sup> of July Rodeo; the ice arena can't use parking for the week or so for the rodeo. *(What about other ice arena events' parking needs? How are parking conflicts resolved in the event a concert is booked in the outdoor arena, and parking for the ice arena is not available*

Location	Reservations	Security Deposit	Reservation Deposit	Cancellations	Rates
Sunrise Event Center - Rancho Cordova, CA (Indoor Rooms)	No Advance time period.	\$1,000 at time of signing contract	1/2 of room rental fee, remainder 30 days prior to event	90 days prior to event - 75% refunded 60 days prior to event - 50% refunded 30 days prior to event - No refund	N/A
Douglas County Fairgrounds, Castle Rock, CO (outdoor Arena - 2,400 seats)	No Advance time period.	\$500 when reserving	25% rental deposit when reserving, remainder 2 weeks in advance	25% rental deposit retained if cancelled 2 weeks in advance, entire rental fee kept if cancelled less than 2 weeks in advance	Commercial, Commercial Adjusted & Community Rates; \$500, \$375 + extras, \$250 + extras
Jefferson County Fairgrounds, Golden, CO (Rodeo Arena)	First-come, First-serve except historical	\$200 when reserving	Non-refundable retainer fee of up to 1/2 of rental fee at time of agreement, remainder due 90 days in advance	90 days prior to event - fees returned except for non-refundable retainer, within 90 days of event - no refund unless facility is re-rented	Std Rate - \$300, Commercial Rate - \$720, Youth Rate \$150
Sonoma County Fairgrounds, Santa Rosa, CA (outdoor, 3,000 seats)	No Advance time period.	\$500 - 1,000 when reserving	Non-refundable \$150 Reservation Deposit, 1/2 of rental fee at reservation, remainder due two months in advance, All due if rented within two months	90 days prior to event - 75% refunded 60 days prior to event - 50% refunded 30 days prior to event - 25% refunded Less than 30 days - No refund	\$1,500
Ogden's Pioneer Stadium, Ogden, UT (outdoor Arena - 12,000 seats)	45 days requested but will do less	\$300 Cleaning Deposit, \$250 refundable	All rental fees must be paid at least 7 days in advance	None	\$1,000/day with admission charged, \$500/day with no admission
Spanish Fork Fairgrounds, Spanish Fork, UT (Outdoor Arena - 7,000 seats)	At least 1 week	None listed	\$350 when reserving, \$200 refundable if cancelled	\$150 kept if event cancels	\$1,000/day with admission charged, \$350/day with no admission
Hailey Multi-Use Arena Proposal	At least 30 days but flexible	\$500 due when reserving facility, exceptions for historical events or with security deposit on file	1/2 of rental fee due when reserving, exceptions for historical events, remainder due 60 days in advance of event	More than 90 days prior - 1/2 of reservation deposit refunded, Less than 60 days prior - no refund of reservation deposit.	Set-up or Clean-up day - \$500, Day(s) of event - \$1,250/day, Concessions - \$250/day, Retail Space - \$250/day

**AGENDA ITEM SUMMARY**

**DATE:** 11/22/2010 **DEPARTMENT:** Administration /Legal **DEPT. HEAD SIGNATURE:** HD

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**SUBJECT**

Joint Powers Agreement with multiple cities and counties for the purpose of forming a pooled entity for health insurance.

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**BACKGROUND:**

Ketchum City Administrator Gary Marks and his insurance consultant Charlene Herless presented the pooled insurance concept to the Hailey City Council last summer. The city council asked that the benefits committee review the proposal, which has been done. The benefits committee has recommended that Hailey enter into the JPA. This matter was agenda for October 26, but pulled by the city attorney for legal review. The attorney's comments, below, have been pursued through conversations with the parties, and the attorney's concerns have been met. The primary concern will be handled through an MOU created by the board of directors in their first few meetings which creates "authorized withdrawals without penalty" during the first three years of the contract

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There are two primary issues. The first issue involves the withdrawal process in Section XIII(A). The withdrawal process contemplates that any member may withdraw on an annual basis but within the first three years, there would be a penalty equal to one year of premiums. The literature accompanying the agreement certainly expresses the intent to operate 3 years during which time the Idaho Intergovernmental Insurance Authority ("III-A") would only gather utilization data. But the actual agreement does not seem to make that distinction. I would think the agreement ought to state that the first 3 years of operation will not involve either self-insurance or purchase of insurance from outside carriers. In the unlikely event that III-A bought insurance in year two and Hailey wished to withdraw before the expiration of the three year term, I would think that Hailey would be subject to an unacceptable penalty. I would think that III-A would want a standardized agreement. If so, then I assume III-A would want to use the same agreement before us as the document to be used by future members. The penalty associated with a withdrawal during the first 3 years, as stated in the proposed agreement, may act as a disincentive to future members. I would think III-A would want to encourage membership by other entities. But, perhaps there is an explanation for the penalty.

The second issue involves the selection of the consultant. There is no legal requirement that we go out to bid for the consultant, but there certainly is a good argument that the best practice is to solicit proposals. By soliciting proposals, III-A may obtain a lower priced consultant and/or a consultant who offers greater services. In addition, the solicitation process may provide useful alternative information.

One way of potentially addressing both issues is to obtain contractual language which states III-A would not pursue self-insurance or purchase insurance from outside carriers until the expiration of the initial 3 year period and to go out for a RFP/RFQ for a consultant before the expiration of the three year period.

Finally, there are two minor points about the contract. In Section XIV, the language refers to XVII.B. I believe it should be XVI.B. In addition, I believe the first sentence in Section XVI(A) should be clarified. I do not understand what is meant by run-out liability and the IBNR reserve. NED

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**FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:**

Huge savings can be gleaned through future self-insurance or partial self-insurance policies adopted by the pool

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**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

Council move to enter into the Joint Powers Agreement III-A for the purpose of forming a health insurance pool of counties and cities.

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**FOLLOW UP NOTES**

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## JOINT POWERS AGREEMENT

### Idaho Intergovernmental Insurance Authority

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This AGREEMENT is entered into this 1st day of \_\_\_\_\_, 2010, for the purpose of facilitating the collective participation and negotiation of its members of health benefits coverage with vendors doing business in Idaho or through self-insurance.

#### I. RECITALS

WHEREAS, public agencies are authorized to provide their officers and employees with health care insurance; and

WHEREAS, each of the undersigned, hereinafter designated as MEMBERS, are authorized by Idaho Code Section §67-2326 *et seq.* to enter into agreements with one or more public agencies for the purpose of jointly exercising any power common to said public agencies; and

WHEREAS, each of the undersigned, hereinafter designated as MEMBERS, are authorized by Idaho Code Section §41-4101 *et seq.* to provide for joint public agency self-funded health care programs; and

WHEREAS, each of said MEMBERS has been duly authorized by its respective governing body to enter into this Agreement;

NOW, THEREFORE, BE IT AGREED BY AND BETWEEN the parties hereto as follows:

#### II. PARTIES

The parties to this Agreement shall be those public agencies listed in Exhibit A, which is attached hereto and incorporated herein as though set forth verbatim. From and after the effective date of this Agreement, other public entities may become parties and participate in this

Agreement pursuant to the provisions set forth below.

### **III. PURPOSE AND COMMON POWER**

The purpose sought to be achieved by the parties to this Agreement is the joint exercise of the powers conferred by Idaho Code Section §67-2326 *et seq.* and Idaho Code Section §41-4101 *et seq.* to provide officers and employees of MEMBERS with benefits in the most cost-effective manner possible while emphasizing quality, price stability and financial solvency. The MEMBERS will seek to accomplish this purpose either through self insurance as authorized by Idaho Code Section §41-4101 *et seq.* or the purchase of insurance from outside carriers as authorized by Idaho Code Section §67-2326 *et seq.*

### **IV. IDAHO INTERGOVERNMENTAL INSURANCE AUTHORITY**

By this Agreement there is created the Idaho Intergovernmental Insurance Authority (hereinafter AUTHORITY), a separate public agency formed to carry out the purposes set forth above. In the event that the AUTHORITY provides for self insurance it shall immediately take the necessary steps to comply with the notice and filing requirements of Idaho Code Section §41-4103. The debts, liabilities and obligations of the AUTHORITY shall not be debts, liabilities or obligations of the respective parties hereto except as otherwise provided in this Agreement or Bylaws.

### **V. BYLAWS**

For purposes of the performance of any and all activities arising under the terms of this Agreement, the AUTHORITY shall be governed by this Agreement and its duly adopted Bylaws. Each party to this Agreement hereby agrees to adhere to this Agreement and the Bylaws in good faith and to be bound thereby. In case of a conflict between the provisions of this Agreement and the Bylaws, the provisions of this Agreement shall prevail. The Bylaws may

be amended from time to time by the BOARD OF DIRECTORS of the AUTHORITY in the manner set forth below.

## **VI. MEMBERSHIP DELEGATION**

Each MEMBER may appoint a DELEGATE to represent it at the annual meeting of the MEMBERSHIP DELEGATION. At this meeting, the BOARD shall report to the DELEGATION and the DELEGATION shall elect the BOARD OF DIRECTORS as provided herein. Each MEMBER to this Agreement may change its DELEGATE at any time provided that the MEMBER gives the chairperson of the AUTHORITY'S BOARD OF DIRECTORS written notice of the change prior to the first meeting at which each new DELEGATE attends for the purpose of representing the MEMBER. Each DELEGATE is entitled to cast one vote on each action item at any duly constituted meeting of the DELEGATION at which he or she is present.

A quorum shall consist of the presence of DELEGATES representing fifteen percent of the MEMBERS, provided that a minimum of ten DELEGATES must be present for the transaction of AUTHORITY business at a meeting of the DELEGATION. However, in the event that there are than twenty MEMBERS of the AUTHORITY, a quorum shall consist of the presence of DELEGATES representing twenty-five percent of the MEMBERS, provided that a minimum of two DELEGATES must be present for the transaction of AUTHORITY business at a meeting of the DELEGATION. A vote of a majority of the MEMBERS present at any such annual meeting shall be sufficient to approve an action of the AUTHORITY.

## **VII. BOARD OF DIRECTORS OF THE AUTHORITY**

This Agreement shall be administered and contracts with vendors shall be executed by the AUTHORITY'S BOARD OF DIRECTORS, hereinafter referred to as the "BOARD." The

membership of the BOARD OF DIRECTORS shall be as follows: the BOARD OF DIRECTORS shall consist of no more than eleven members. Five directors shall be chosen based on the number of employees eligible for enrollment in the AUTHORITY's medical program for each MEMBER. The five MEMBERS having the highest number of such eligible employees shall have a DIRECTOR on the BOARD OF DIRECTORS. The MEMBER shall submit the name of the prospective DIRECTOR to the MEMBERSHIP at the annual meeting for ratification by a majority of the MEMBERS present at such annual meeting.

For the first two years following the formation of the Authority, the City of Ketchum shall be entitled to have a DIRECTOR on the BOARD OF DIRECTORS.

Ninety days prior to the annual meeting of the MEMBERS, the BOARD shall verify the number of eligible employees for each MEMBER in order to determine the five MEMBERS that are entitled to a DIRECTOR on the BOARD OF DIRECTORS. Such DIRECTORS shall hold seats numbered one through five on the BOARD OF DIRECTORS.

Five additional directors shall be elected from the DELEGATION, provided that no MEMBER shall have more than one DIRECTOR on the BOARD OF DIRECTORS. The BOARD OF DIRECTORS shall appoint one additional DIRECTOR. Such elected and appointed DIRECTORS shall hold seats numbered six through eleven on the BOARD OF DIRECTORS.

Positions six through eleven on the BOARD OF DIRECTORS shall be staggered after the first term, which shall be for a period of one year. THE BOARD OF DIRECTORS shall determine the length of the second term for positions six through eleven in order to stagger the terms. Thereafter, terms for positions numbered six through eleven shall be for a term of three years, and shall be staggered so that not more than two terms expire each year.

In the event that a DELEGATE on the BOARD OF DIRECTORS resigns his position or is no longer able to serve, the BOARD shall appoint a DELEGATE to fill the vacancy for the remainder of the term.

#### **VIII. MEETINGS OF THE MEMBERSHIP DELEGATION AND BOARD OF DIRECTORS**

There shall be an annual meeting of the MEMBERSHIP DELEGATION. The BOARD OF DIRECTORS shall meet at least once each quarter. Minutes shall be kept of all BOARD and DELEGATION meetings by the Secretary of the BOARD. A simple majority of the BOARD shall constitute a quorum for the transaction of business. Each DELEGATE shall have one (1) vote at DELEGATION meetings and each DIRECTOR shall have one (1) vote at DIRECTOR meetings. DELEGATES and DIRECTORS must be present at the meeting to vote.

All meetings of the DELEGATION and the BOARD shall be subject to the Idaho Open Meetings Act (Idaho Code Section §67-2340 *et seq.*). The BOARD shall adopt rules and regulations for conducting DELEGATION and BOARD meetings in conformity with the law.

#### **IX. OFFICERS OF THE BOARD**

The officers of the BOARD OF DIRECTORS shall consist of the Chair, Vice-Chair and Secretary.

The Chair shall be responsible for developing meeting agendas and conducting meetings. The Chair shall be authorized to make administrative decisions on behalf of the AUTHORITY subject to the Bylaws and BOARD policies.

The Vice-Chair shall fulfill the Chair's duties in his or her absence.

The Secretary shall cause minutes of all meetings to be kept and shall, upon request, cause a copy of the minutes to be forwarded to any member of the AUTHORITY. The Secretary shall fulfill the duties of the Chair and Vice-Chair in their absence.

For the first two years following the formation of the Authority, the City of Ketchum's DIRECTOR shall be entitled to hold the position of Chair.

**X. POWERS AND DUTIES OF AUTHORITY BOARD OF DIRECTORS**

The BOARD shall exercise the power to procure health and welfare benefits through the establishment of self-funded programs and contracts with insurance carriers. In order to facilitate the exercise of said power by the BOARD, the BOARD shall have the authority to do all acts reasonably necessary to effectuate said exercise, which acts shall include, but not be limited to, the adoption of resolutions and policies, the amendment of the Bylaws, the election of its officers; the execution of contracts; the employment of agents or employees; the incurrence of debts, liabilities and/or obligations which shall not constitute debts, liabilities and/or obligations of any party to this Agreement except as otherwise provided in this Agreement; the acquisition, holding, and/or disposition of property, funds, services and other forms of assistance from persons, firms, corporations and/or any public agency; and to sue and be sued in its own name. The BOARD is specifically empowered to approve the design of programs, program provisions, establish reserves, adopt budgets, select vendors and set premium rates. The BOARD shall also have the powers specifically conferred upon it by the Bylaws attached hereto as Exhibit B and such other powers as are expressly conferred in this Agreement and by any subsequent, duly authorized amendment hereto. The BOARD may amend the Bylaws by two-thirds vote of MEMBERS present provided a quorum exists.

In the event of lack of a quorum, current BOARD MEMBERS shall continue to serve until changed by the DELEGATION.

**XI. FUNDS OF THE AGENCY**

**A. ESTABLISHMENT OF AUTHORITY FUNDS**

The BOARD shall establish funds and accounts for the purpose of funding claim payments, payment of premiums to insurers contracting with the AUTHORITY and administrative and capital expenses under the AUTHORITY's self-funded program(s). Revolving bank accounts may be established to facilitate payment of claims. Deposits to and withdrawals from these funds shall be made as provided herein and in the Bylaws. All money acquired by or belonging to the AUTHORITY shall be kept in said funds. Books and records of the AUTHORITY shall be open for inspection at all reasonable times. All records are public information and will be available upon request.

B. ANNUAL CONTRIBUTIONS

For each fiscal year commencing October 1, and ending September 30, each party to this Agreement shall contribute to the AUTHORITY an amount equal to the total estimated annual cost of its participation in the self-funded or insured programs of the AUTHORITY as calculated by the BOARD. Such contributions may be paid to the AUTHORITY in monthly installments at the beginning of each calendar month based upon the number of employees enrolled in each program. Contributions will be deposited in a special fund established by the BOARD.

C. ADJUSTMENT OF CONTRIBUTIONS

During the course of each fiscal year covered by this Agreement, the BOARD shall review and determine whether contribution rates should be adjusted to reflect substantial changes in anticipated costs or other unforeseen events occurring after the commencement of the fiscal year. In the event the BOARD determines that an immediate change in premium rates is required, the BOARD shall provide at least sixty days notice to MEMBERS before such change in premium rate is effected.

D. CONTRIBUTIONS FOR FUTURE YEARS

For the 2011-12 fiscal year and each fiscal year thereafter, the BOARD shall transmit to each party by no later than sixty days preceding the commencement of the new fiscal year the party's premium rates for such year. The premium rates so projected shall constitute the limit of each party's annual liability for costs unless subsequently adjusted by the BOARD OF DIRECTORS as herein provided.

E. TREASURER/FISCAL AGENT OF THE AUTHORITY

1. The BOARD may appoint the Fiscal Agent of the AUTHORITY.

In this capacity, the Fiscal Agent shall:

(a) Receive and receipt for all money of the AUTHORITY and place it in the treasury of the Treasurer so designated to the credit of the AUTHORITY;

(b) Verify and report in writing on the first day of July, October, January, and April of each year to the AUTHORITY and to the MEMBERS the amount of money he holds for the AUTHORITY, the amount of receipts since his last report, and the amount paid out since his last report.

2. The BOARD shall appoint a Treasurer of the AUTHORITY. In this capacity, the Treasurer shall:

(a) Be responsible upon his official bond for the safekeeping and disbursement of all AUTHORITY money so held by him;

(b) Pay any other sums due from the AUTHORITY from AUTHORITY money, or any portion thereof, at the direction of the Fiscal Agent.

F. SERVICES OF THE TREASURER

The charge duly specified by resolution of the BOARD as the cost to be reimbursed for the services of the Treasurer and the Fiscal Agent arising out of the performance of any act reasonably related to this Agreement shall be a proper charge against the funds of the AUTHORITY.

G. ANNUAL REPORT AND AUDIT

The BOARD shall, following the close of the fiscal year, provide a written report of all financial activities for such fiscal year to each of the member entities in accordance with applicable laws and regulations. The BOARD shall also contract with a certified public accountant to make an annual audit of the accounts and records. The audit will be performed in accordance with all applicable laws and regulations and in accordance with generally accepted accounting principles. The certified public accountant shall prepare a report regarding the audit which shall be filed as a public record.

H. ACTUARIAL REPORT

On an annual basis the BOARD shall contract for an actuarial study of all self-funded programs to establish reserve levels, set appropriate funding and premium rates and ensure compliance with state and federal laws and regulations.

**XII. ELIGIBILITY FOR MEMBERSHIP**

Any "public agency," as defined in Idaho Code Section §67-2327, may be eligible for participation in the health care insurance programs established pursuant to this Agreement if, and only if, such public agency satisfies all of the following requirements:

- A. The public agency must be located within the State of Idaho.
- B. The public agency cannot be an agency of the state government.

C. Written application for admission to the program must be filed with the BOARD by no less than sixty (60) days prior to the effective date of membership.

D. The application must be accompanied by a formal resolution of the governing body of such public agency authorizing the inclusion of the agency into this program. As the BOARD deems appropriate, additional information may be required.

E. The application must thereafter be ratified by a majority of the entire MEMBERSHIP of the DIRECTORS of the BOARD. The decision of the BOARD shall be final.

F. Following the determination specified in paragraph E hereof, the BOARD shall notify the applying agency of the anticipated total contributions computed for the first year's participation by the agency, which total shall include an additional assessment, in an amount recommended by the BOARD, constituting the applying agency's share of accumulated reserves. The notice shall also inform the applying agency of the amount of its first monthly payment. The applying agency shall be deemed to be admitted to the AUTHORITY upon deposit of its first monthly payment and this assessment.

G. All eligible, full-time employees of MEMBERS must participate in programs offered by the AUTHORITY except elected officials and individuals who provide proof of other medical, dental or vision insurance coverage under a policy on which the coverage is primary for the employee seeking to waive coverage and would remain primary whether or not the employee is covered by the AUTHORITY. Retirees of the MEMBERS may also participate in AUTHORITY programs whether on an employer pay or retiree pay basis provided that there has been no lapse in coverage between active status and retired status.

### **XIII. WITHDRAWAL BY MEMBER**

A. NOTIFICATION

Any MEMBER may elect to withdraw from MEMBERSHIP in the AUTHORITY and from participation in its programs effective September 30 of any year by giving written notice to the AUTHORITY by no later than July 1 of the same year. It shall be a condition precedent to the making of such an election that the MEMBER has completed not less than three full fiscal years as a MEMBER of the AUTHORITY immediately prior to the proposed effective date of its withdrawal. The notice of withdrawal shall consist of a resolution adopted by the governing body of the MEMBER, expressly stating the party's intention to exercise its right hereunder to withdraw effective the next succeeding September 30.

A MEMBER which withdraws without complying with the above paragraph will be subject to a penalty equal to the premiums paid or charged against the MEMBER for the twelve (12) month period prior to the effective date of the MEMBER'S unauthorized withdrawal. The penalty shall be paid in full within ninety (90) days following the date of unauthorized withdrawal.

B. UNFUNDED LIABILITY

The MEMBER must pay in full the amount of its proportionate share of any cumulative unfunded liability as determined by the BOARD. The penalty shall be paid in full within ninety (90) days following the date of unauthorized withdrawal.

C. RE-ADMISSION

A MEMBER which has withdrawn must be a non-MEMBER for a period of two (2) complete program years and must apply for membership pursuant to Section XIII.

**XIV. INVOLUNTARY TERMINATION OF MEMBER**

The AUTHORITY may, if it deems such action necessary to achieve the purposes stated hereinabove, elect to terminate any MEMBER's participation under this Agreement without that MEMBER's consent. The terminated MEMBER shall have the financial responsibilities expressed in Article XVII.B. Such action may only be taken upon an affirmative vote of two-thirds of all the MEMBERS of the BOARD OF DIRECTORS followed by ninety (90) days' written notice to the party of its involuntary termination.

**XV. DISSOLUTION OF AUTHORITY**

The AUTHORITY may elect at any time to terminate its joint activities carried on pursuant to this Agreement. Such election shall not be effective unless authorized by duly adopted action of each of the governing bodies of at least three-fourths of the current MEMBERS.

**XVI. DISTRIBUTION OF FUND UPON WITHDRAWAL OR INVOLUNTARY TERMINATION OF A MEMBER OR UPON DISSOLUTION OF AUTHORITY**

The monies deposited in the funds of the AUTHORITY, and any other property acquired by or belonging to the AUTHORITY pursuant to this Agreement, may not be returned or distributed or otherwise disposed of except as specifically provided herein.

**A. WITHDRAWING MEMBERS**

Any MEMBER electing to withdraw pursuant to the provisions of Paragraph XIII shall not remain obligated for any and all run-out claim liability which exceeds its proportionate share of incurred but not reported (IBNR) reserve. There will be no time limit applied with respect to when liability was incurred or when notice of the claim is received by the AUTHORITY. In no event shall a MEMBER exercising its unilateral right to withdraw be entitled to any refund or repayment of contributions or reserves.

B. INVOLUNTARY TERMINATION OF A MEMBER

Any MEMBER whose participation in this program is terminated involuntarily pursuant to Paragraph XIV shall continue to be liable for any claims paid in the same manner as specified in subparagraph A for withdrawing MEMBERS, as well as any and all other liabilities or obligations incurred by the AUTHORITY as a direct or indirect result of that MEMBER's participation in this Agreement.

C. DISTRIBUTION OF ASSETS AND LIABILITIES

Upon the dissolution of the AUTHORITY pursuant to Paragraph XV, the BOARD shall be authorized to take all necessary and reasonable steps to conclude the affairs of the AUTHORITY and to satisfy and extinguish any and all outstanding debts, liabilities, or obligations, including those involved in litigation, pending as of the effective date of the dissolution. All remaining assets of the AUTHORITY shall be pro-rated among the MEMBERS by program based on the average monthly enrollment for the twelve (12) month period immediately preceding the date of dissolution.

**XVII. INVESTMENT OF SURPLUS FUNDS**

The BOARD is hereby authorized to exercise its discretion to invest as it deems advisable any monies deposited with the AUTHORITY which are not required for the immediate necessities arising under this Agreement. Investments made pursuant to this paragraph shall be made in the same manner and upon the same conditions as is provided under Idaho law for public agencies.

**XVIII. BONDING AND INSURANCE COVERAGE**

DIRECTORS of the BOARD shall be required to obtain and file with the Secretary of the BOARD an official bond in an amount not less than \$10,000 if they will have charge of, handle

or have access to property of the AUTHORITY. The premium for each bond shall be paid from monies deposited in the AUTHORITY.

The BOARD shall secure errors and omissions coverage for the AUTHORITY and BOARD members at limits to be determined by the BOARD.

**XIX. SEVERABILITY**

In the event that any portion of this Agreement is hereafter found or declared to be void or otherwise rendered inoperative in any way, the remainder of this Agreement shall continue in full force and effect separate and apart from the portions so invalidated.

**XX. AUTHORITY TO AMEND AGREEMENT**

The MEMBERSHIP DELEGATION shall have the authority to amend this Agreement by a three-fourths vote at a properly noticed meeting.

**XXI. VENDOR CARRIER SELECTION**

The selection of vendors and consultants for the AUTHORITY shall be at the sole discretion of the BOARD. Program offerings shall be at the sole discretion of the BOARD.

DATED: \_\_\_\_\_, 2010 ENTITY NAME \_\_\_\_\_

BY \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM:

By \_\_\_\_\_  
Legal Counsel

DATED: \_\_\_\_\_, 2010 ENTITY NAME \_\_\_\_\_

BY \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM:

By \_\_\_\_\_  
Legal Counsel

DATED: \_\_\_\_\_, 2010 ENTITY NAME

BY \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM:

By \_\_\_\_\_  
Legal Counsel

DATED: \_\_\_\_\_, 2010 ENTITY NAME

BY \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM:

By \_\_\_\_\_  
Legal Counsel

DATED: \_\_\_\_\_, 2010 ENTITY NAME

BY \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM:

By \_\_\_\_\_  
Legal Counsel

**EXHIBIT A**

**PARTICIPATING PUBLIC AGENCIES**



**BYLAWS**

**of the**

**IDAHO INTERGOVERNMENTAL  
INSURANCE AUTHORITY**

**Effective**

**as of**

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**BYLAWS**  
**OF THE**  
**IDAHO INTERGOVERNMENTAL INSURANCE AUTHORITY**  
**EFFECTIVE AS OF \_\_\_\_\_**

**Article I, General Purpose and Nature**

The Idaho Intergovernmental Insurance Authority is an intergovernmental authority organized pursuant to the Idaho Code Sections §67-2326 and §41-4101 et seq., for the purposes set forth in the Joint Powers Agreement entered into between and among the Members.

**Article II, Offices**

The Authority may have such other offices as the Board of Directors may designate or as the business of the Authority may require from time to time.

**Article III, Members**

Section 1. Membership Meeting. The Authority shall hold at least one regular membership meeting each year, and the Board shall fix the date, hour and place at which each regular membership meeting is to be held. Members may vote by absentee ballots. The Chair shall preside at all meetings of the Members. Special meetings may be called upon written request by the Chair, by one-third or more of the Directors, or by one-third or more of the Members.

Section 2. Member Voting. Each Member shall have one (1) vote on each matter presented to the Membership, and shall have one (1) vote for each Director to be elected and may not cumulate votes.

Section 3. Meeting. All meetings of the Members shall be called, noticed, held and conducted in accordance with the provisions of the Idaho Open Meetings Law. Written notice stating the place, day, and hour of the Members' meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten calendar (10) or more than fifty (50) calendar days before the date of the meeting, either personally, by mail, by telephonic or electronic means, or at the direction of the Chair, or the Officers or persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid addressed to the Member at its address as it appears on the official records of the Authority. Notices called for hereunder may be waived in accordance with Article XI of these Bylaws or by attendance at any such meeting.

# FIRST DRAFT

Section 4. Voting Lists. The Officer or agent having charge of the official records of the Authority shall make a complete list of the Members entitled to vote at each meeting of members or any adjournment thereof. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole meeting for the purposes thereof. Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 5. Quorum and Conduct of Business. Members representing 15% of the Membership, provided that a minimum of ten delegates must be present for the transaction of authority business at a meeting of the delegation. However, in the event that there are less than twenty members of the authority, a quorum shall consist of the presence of delegates representing twenty-five percent of the members, provided that a minimum of five delegates must be present for the transaction of authority business at a meeting of the delegation. A vote of a majority of the members present at any such annual meeting shall be sufficient to approve an action of the authority. Every act done or decision made by a majority of Members present at a meeting duly held at which a quorum is present shall be the act of the Membership unless a vote by a greater number is required by law, the Joint Powers Agreement or these Bylaws. No business may be transacted by the Members without a quorum of the Members being present or represented by proxy, provided, however, less than a quorum may adjourn. Meetings of the Members shall be conducted in accordance with Roberts Rules of Order, except when in conflict with applicable law, the Joint Powers Agreement or the Bylaws.

Section 6. Informal Action by Members. Any action required to be taken at a Members' meeting, or any action which may be taken at a Members' meeting, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of the Members.

## Article IV, Board of Directors

Section 1. General Powers. All powers shall be exercised by, or under the authority of, and the business and affairs shall be managed under the direction of the Board of Directors, in accordance with the powers and duties set forth in the Joint Powers Agreement.

### Section 2. Membership of Board, Procedure for Electing and Term in Office.

A. Membership. The Board shall be composed of a minimum of five (5) but no more than eleven (11) Directors, appointed or elected in the following manner:

B. Procedure. The nomination and election of the Board of Directors will be conducted at the regular annual meeting of the Authority. No Member shall have more than one Director at any time. If at the time of the annual meeting, a Member is not participating in the Authority's Programs, it shall not be eligible to vote for Board of Directors.

C. Terms. Directors, whether appointed or elected, shall serve a term as provided in the Joint Powers Agreement.

A Director shall hold office until: (i) the expiration of his or her term of office or the Member he or she represents no longer participates in the Programs of the Authority and (ii) until a successor has been elected or appointed. In the event of a vacancy, the remaining Directors shall appoint a replacement Director who shall serve until the expiration of the predecessor's term.

Section 3. Board Meetings. The Board shall hold at least four (4) regular meetings each year. The Board shall fix the place where each regular meeting is to be held. Special meetings may be called upon written request by the Chair or one-third or more of the Directors.

Section 4. Notice. All meetings of the Board shall be called, noticed, held and conducted in accordance with the provisions of the Open Meeting Law.

Section 5. Quorum and Conduct of Business. A majority of the authorized number of Directors constitutes a quorum. Every act done or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of that body, unless a vote by a greater number is required by law, the Joint Powers Agreement or these Bylaws. No business may be transacted by the Board without a quorum being present; provided, however, less than a quorum may adjourn. Meetings of the Board shall be conducted in accordance with Roberts Rules of Order, except when in conflict with applicable law, the Joint Powers Agreement or these Bylaws.

Section 6. Meetings by Telephone Conference Call. In addition to any of the methods for holding a regular or special meeting of the Board of Directors otherwise set forth in these Bylaws, members of the Board of Directors, or any committee designated thereby, may participate in a meeting of such Board or committee by means of a conference telephone or other electronic means of which all persons participating in the meeting shall have an equal opportunity to hear and participate in the entire meeting; and participation by such means shall constitute presence in person at a meeting.

Section 7. Action Without a Meeting. Any action which may be taken by the Board of Directors or a committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or all of the members of the committee, as the case may be, entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote.

Section 8. Resignation of a Director. A Director may resign upon giving thirty (30) calendar days' notice in writing to the Chair of the Board of Directors of the Authority. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such other officer, and the acceptance of such resignation shall not be necessary to make it effective.

Section 9. Removal of a Director. Any Director may be removed from office at any time by a majority vote of the Board for inefficiency, neglect of duty or malfeasance in office. Neglect of duty shall occur when a Director fails to attend a regular or special meeting for a period of six (6) consecutive months, subject to review by the Board. Notification of such removal or appointment of a successor shall be by instrument in writing by the Board and delivered to all Members.

Section 10. Compensation of Directors. The Directors shall receive no salary but may be compensated for any reasonable and necessary expenses incurred in connection with the performance of their duties.

Section 11. Vacancies. Vacancies on the Board may be filled by a majority of the remaining Directors, each Director so elected shall hold office for the unexpired portion of the term for the position to which they are elected to fill and until that Director's successor has been elected and qualified.

Section 12. Presumption of Assent. A Director of the Authority who is present at a meeting of the Board of Directors at which action on any matter is taken is presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent by registered mail to the Chief Executive Officer of the Authority immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

## **Article V, Officers**

Section 1. The Board of Directors shall elect from its membership a Chair, a Vice Chair, a Secretary and a Treasurer. The Secretary and Treasurer may be appointed from outside the membership of the Authority.

Section 2. Committees. The Chair shall have the authority to appoint members to committees, both standing and special, as he or she deems appropriate, with the approval of the Board.

## **Article VI, Staff and Independent Contractors**

Principal Staff. The Board may provide for the creation of positions or the contracting with independent outside contractors through its budget process as may be necessary for the administration of the Authority.

**Article VII, Contracts, Loans, Checks and Deposits**

Section 1. Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Authority. Such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in the name of the Authority unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by such Officer or Officers, agent or agents, of the Authority and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Authority not otherwise employed shall be deposited to the credit of the Authority in such banks, trust companies, or other depositories as the Board of Directors may select or authorize.

**Article VIII, Fiscal Year**

The fiscal year of the corporation shall begin on October 1 and end on September 30 each year.

**Article IX, Accounts and Records**

Section 1. Annual Budget. The Authority shall annually adopt an operating budget not later than the commencement of the fiscal year.

Section 2. Funds and Accounts. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board. Books and records of the Authority shall be open to inspection at all reasonable times by authorized representatives of the Members.

The Authority shall adhere to the standard of strict accountability of public funds.

Section 3. Annual Report. The Authority, within one hundred and eighty (180) calendar days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member.

# FIRST DRAFT

Section 4. Annual Audit. The Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority. A report of the audit shall be filed as a public record and will be made available to each Member within six months of the end of the fiscal year under examination. Costs of the audit shall be considered a general expense of the Authority.

## **Article X, Responsibilities for Funds and Property**

Section 1. Custody of Funds. The Authority's authorized agent shall have the custody of and may disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board to perform that function.

Section 2. Property of Authority. The Persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of the Authority.

Section 3. Fidelity Bonds. The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and agents of the Authority who are authorized to hold or disburse funds of the Authority, and all officers and agents who are authorized to have charge of, handle, and have access to property of the Authority.

## **Article XI, Waiver of Notice**

Whenever any notice is required to be given to any Member or Director of the Authority under the provisions of Idaho law, the Joint Powers Agreement or under the provisions of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## **Article XII, Indemnification**

Any person who at any time shall serve, or shall have served as a Director or Officer of the Authority, shall be indemnified, held harmless and defended by the Authority against all costs and expenses (including but not limited to attorney's fees of an attorney approved by the Authority), amounts of judgments, and settlements reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which he, she, or they may be involved by virtue of such person's being or having been a Director or Officer, provided, however, that such indemnity shall not be operative with respect to: (1) the Director or Officer gaining any personal profit or advantage in his or her capacity as Director or Officer, (2) the dishonesty of a Director or Officer, (3) a Director's or Officer's conflict of interest, (4) willful violation of a statute or ordinance committed by a Director or Officer or with the Director's or Officer's knowledge or consent, or (5) any matter as

to which the Director or Officer shall have been finally adjudged in such action, suit or proceeding to be liable for misconduct in the performance of his or her duties as Director or Officer. The indemnification will not be operative for any settlement unless the settlement is approved by a majority of the Directors.

## **Article XIII, Amendments**

These bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board of Directors by at least two-thirds (2/3) vote of all of the members of the Board voting at any regular or special meeting of the board, subject to repeal or change by action of the Members; provided, however, that the number of directors shall not be increased or decreased, nor shall the provisions of Article III concerning the Members be substantially altered, without prior approval of at least two-thirds (2/3) of the Members voting at a regular or special meeting of the Members or by written consent.

**BYLAWS**  
**OF THE**  
**IDAHO INTERGOVERNMENTAL INSURANCE AUTHORITY**  
**EFFECTIVE AS OF \_\_\_\_\_**

KNOW ALL PERSONS BY THESE PRESENT that the undersigned Chair of the IDAHO INTERGOVERNMENTAL INSURANCE AUTHORITY does hereby certify that the above and foregoing Bylaws were duly adopted by the Directors of the corporation on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, and the same now constitute the Bylaws of this Authority.

\_\_\_\_\_  
Gary B. Marks, Chair

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Secretary

Prepared by:  
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