

Pocatello Development Authority

Board of Commissioners Meeting
~~March 20, 2013~~ – 11:00 a.m.
Paradise Conference Room

April 17th, 2013

City of Pocatello
911 North 7th Avenue
Pocatello, Idaho 83205

An urban renewal agency for the City of Pocatello, Idaho

11:00 a.m.

- Call to order – Ryan Ward
- Acknowledge guests of the Board
- Disclosure of conflicts of interest
- Agenda – add or delete action or discussion items

Action and Discussion Items:

- Minutes of March 20, 2013 – Motion to approve and/or amend
- Financial Report: March Income and Expenses
- General Discussion: Positron – Economic Loan Agreement
- BBAD Investments – Economic Loan Agreement
- Cheyenne Connector – Update
- Liability, Errors, and Omission Insurance

Items from staff:

Items from Commission members:

Upcoming Events:

Executive Session:

Matters exist for discussion in an executive session as per I.C. 67-2345 (1) (e)

Motion: "I move that we enter into an executive session as per Idaho Code 67- 2345 (1) (e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions."

Adjourn

FINANCIAL REPORT
FOR
MARCH 2013

2:18 PM
 04/12/13
 Accrual Basis

Pocatello Development Authority
 Balance Sheet by Class
 As of March 31, 2013

	1-General Fund	2-Central Corridor	3-North Yellowstone	4-Naval Ordinance
ASSETS				
Current Assets				
Checking/Savings				
Checking Wells Fargo	-127,694.18	391,395.41	-255,138.54	97,877.72
Savings Wells Fargo	133,026.03	4,111,061.75	0.00	0.00
Zions 2004A Bnd Fnd 7110526A	0.00	0.00	0.97	0.00
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	677,510.43	0.00
Zions COI Fnd 7110526C	0.00	0.00	488.60	0.00
Zions Rev Alloc Fnd 7110526	0.00	0.00	1,637,830.98	0.00
Total Checking/Savings	5,331.85	4,502,457.16	2,060,692.44	97,877.72
Accounts Receivable				
Accounts Receivable	50,000.00	596,867.85	0.00	0.00
Total Accounts Receivable	50,000.00	596,867.85	0.00	0.00
Other Current Assets				
Accrued Interest Income	1.11	33.75	21.12	0.00
Property Tax Receivable	0.00	31,478.63	36,335.11	0.00
Total Other Current Assets	1.11	31,512.38	36,356.23	0.00
Total Current Assets	55,332.96	5,130,837.39	2,097,048.67	97,877.72
TOTAL ASSETS	55,332.96	5,130,837.39	2,097,048.67	97,877.72
LIABILITIES & EQUITY				
Liabilities				
Long Term Liabilities				
Deferred Notes Receivable Rev	50,000.00	596,867.85	0.00	0.00
Deferred Tax Revenues	0.00	25,929.55	36,335.11	0.00
Total Long Term Liabilities	50,000.00	622,797.40	36,335.11	0.00
Total Liabilities	50,000.00	622,797.40	36,335.11	0.00
Equity				
Fund Balance	377,140.34	4,684,535.75	2,528,232.80	415,635.04
Opening Balance Equity	0.00	0.00	64,643.86	0.00
Net Income	-371,807.38	-176,495.76	-532,163.10	-317,757.32
Total Equity	5,332.96	4,508,039.99	2,060,713.56	97,877.72
TOTAL LIABILITIES & EQUITY	55,332.96	5,130,837.39	2,097,048.67	97,877.72

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 04/12/13
 Accrual Basis

Pocatello Development Authority
Balance Sheet by Class
 As of March 31, 2013

	6-North Portneuf	7-Pocatello Regional Airport	Unclassified	TOTAL
ASSETS				
Current Assets				
Checking/Savings				
Checking Wells Fargo	258,992.54	55,581.09	0.00	421,014.04
Savings Wells Fargo	0.00	0.00	0.00	4,244,087.78
Zions 2004A Bnd Fnd 7110526A	0.00	0.00	0.00	0.97
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	0.00	677,510.43
Zions COI Fnd 7110526C	0.00	0.00	0.00	488.60
Zions Rev Alloc Fnd 7110526	0.00	0.00	0.00	1,637,830.98
Total Checking/Savings	258,992.54	55,581.09	0.00	6,980,932.80
Accounts Receivable				
Accounts Receivable	0.00	0.00	0.00	646,867.85
Total Accounts Receivable	0.00	0.00	0.00	646,867.85
Other Current Assets				
Accrued Interest Income	0.00	0.00	0.00	55.98
Property Tax Receivable	9,407.86	0.00	0.00	77,221.60
Total Other Current Assets	9,407.86	0.00	0.00	77,277.58
Total Current Assets	268,400.40	55,581.09	0.00	7,705,078.23
TOTAL ASSETS	268,400.40	55,581.09	0.00	7,705,078.23
LIABILITIES & EQUITY				
Liabilities				
Long Term Liabilities				
Deferred Notes Receivable Rev	0.00	0.00	0.00	646,867.85
Deferred Tax Revenues	9,407.86	0.00	0.00	71,672.52
Total Long Term Liabilities	9,407.86	0.00	0.00	718,540.37
Total Liabilities	9,407.86	0.00	0.00	718,540.37
Equity				
Fund Balance	210,902.91	0.00	0.00	8,216,446.84
Opening Balance Equity	0.00	0.00	0.00	64,643.86
Net Income	48,089.83	55,581.09	0.00	-1,294,552.84
Total Equity	258,992.54	55,581.09	0.00	6,986,537.86
TOTAL LIABILITIES & EQUITY	268,400.40	55,581.09	0.00	7,705,078.23

2:17 PM
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 Accrual Basis

Pocatello Development Authority
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 As of March 31, 2013

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Savings Wells Fargo	133,026.03	4,111,061.75	0.00
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04/12/13

Accrual Basis

Pocatello Development Authority
Balance Sheet by Class
As of March 31, 2013

	4-Naval Ordinance	6-North Portneuf	7-Pocatello Regional Airport
ASSETS			
Current Assets			
Checking/Savings			
Checking Wells Fargo	97,877.72	258,992.54	55,581.09
Savings Wells Fargo	0.00	0.00	0.00
Zions 2004A Bnd Fnd 7110526A	0.00	0.00	0.00
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	0.00
Zions COI Fnd 7110526C	0.00	0.00	0.00
Zions Rev Alloc Fnd 7110526	0.00	0.00	0.00
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LIABILITIES & EQUITY			
Liabilities			
Long Term Liabilities			
Deferred Notes Receivable Rev	0.00	0.00	0.00
Deferred Tax Revenues	0.00	9,407.86	0.00
Total Long Term Liabilities	0.00	9,407.86	0.00
Total Liabilities	0.00	9,407.86	0.00
Equity			
Fund Balance	415,635.04	210,902.91	0.00
Opening Balance Equity	0.00	0.00	0.00
Net Income	-317,757.32	48,089.63	55,581.09
Total Equity	97,877.72	258,992.54	55,581.09
TOTAL LIABILITIES & EQUITY	97,877.72	268,400.40	55,581.09

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 Accrual Basis

Pocatello Development Authority
Balance Sheet by Class
 As of March 31, 2013

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Savings Wells Fargo	0.00	4,244,087.78
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Zions Bnd Reserve Fnd 7110526B	0.00	677,510.43
Zions COI Fnd 7110526C	0.00	488.60
Zions Rev Alloc Fnd 7110526	0.00	1,637,830.98
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Accrued Interest Income	0.00	55.98
Property Tax Receivable	0.00	77,221.60
Total Other Current Assets	0.00	77,277.58
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TOTAL ASSETS	0.00	7,705,078.23
LIABILITIES & EQUITY		
Liabilities		
Long Term Liabilities		
Deferred Notes Receivable Rev	0.00	646,867.85
Deferred Tax Revenues	0.00	71,672.52
Total Long Term Liabilities	0.00	718,540.37
Total Liabilities	0.00	718,540.37
Equity		
Fund Balance	0.00	8,216,446.84
Opening Balance Equity	0.00	64,643.86
Net Income	0.00	-1,294,552.84
Total Equity	0.00	6,986,537.86
TOTAL LIABILITIES & EQUITY	0.00	7,705,078.23

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04/12/13
Annual Basis

Pocatello Development Authority
Profit & Loss by Class
March 2013

	<u>1-General Fund</u>	<u>2-Central Corridor</u>	<u>3-North Yellowstone</u>
Income			
Interest Income	12.81	388.32	35.66
Professional Fees	10,000.00	0.00	0.00
Property Taxes	0.00	7,840.41	3,586.81
Total Income	<u>10,012.81</u>	<u>8,228.73</u>	<u>3,622.47</u>
Gross Profit	10,012.81	8,228.73	3,622.47
Expense			
Administrative	158.03	10,000.00	0.00
Professional Services			
Other Professional Services	1,116.30	0.00	0.00
Total Professional Services	<u>1,116.30</u>	<u>0.00</u>	<u>0.00</u>
Total Expense	<u>1,274.33</u>	<u>10,000.00</u>	<u>0.00</u>
Net Income	<u>8,738.48</u>	<u>-1,771.27</u>	<u>3,622.47</u>

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Annual Basis

Pocatello Development Authority
Profit & Loss by Class
March 2013

	<u>7-Pocatello Regional Airport</u>	<u>TOTAL</u>
Income		
Interest Income	0.00	436.79
Professional Fees	0.00	10,000.00
Property Taxes	24,518.50	35,945.72
Total Income	<u>24,518.50</u>	<u>46,382.51</u>
Gross Profit	24,518.50	46,382.51
Expense		
Administrative	0.00	10,158.03
Professional Services		
Other Professional Services	0.00	1,116.30
Total Professional Services	<u>0.00</u>	<u>1,116.30</u>
Total Expense	<u>0.00</u>	<u>11,274.33</u>
Net Income	<u>24,518.50</u>	<u>35,108.18</u>

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 Annual Basis

Pocatello Development Authority
Profit & Loss by Class
 October 2012 through March 2013

	<u>1-General Fund</u>	<u>2-Central Corridor</u>	<u>3-North Yellowstone</u>
Income			
Interest Income	100.65	3,078.30	181.81
Proceed from sale of bonds	0.00	0.00	309,808.59
Professional Fees	10,000.00	0.00	0.00
Property Taxes	0.00	27,870.94	594,842.79
Total Income	<u>10,100.65</u>	<u>30,949.24</u>	<u>904,833.19</u>
Gross Profit	10,100.65	30,949.24	904,833.19
Expense			
Administrative	1,141.73	10,000.00	252.15
Closing Cost on Bond Sales	0.00	0.00	106,445.00
Debt Service			
Interest	0.00	0.00	202,875.00
Principal	0.00	0.00	1,004,409.18
Total Debt Service	0.00	0.00	1,207,284.18
Dues and Memberships	750.00	0.00	0.00
Economic Grants Issued	375,000.00	197,445.00	122,014.96
Professional Services			
Other Professional Services	5,016.30	0.00	1,000.00
Total Professional Services	<u>5,016.30</u>	<u>0.00</u>	<u>1,000.00</u>
Total Expense	<u>381,908.03</u>	<u>207,445.00</u>	<u>1,436,996.29</u>
Net Income	<u>-371,807.38</u>	<u>-176,495.76</u>	<u>-532,163.10</u>

2:16 PM
 04/12/13
 Annual Basis

Pocatello Development Authority
Profit & Loss by Class
 October 2012 through March 2013

	<u>4-Naval Ordinance</u>	<u>6-North Portneuf</u>	<u>7-Pocatello Regional Airport</u>
Income			
Interest Income	0.00	0.00	0.00
Proceed from sale of bonds	0.00	0.00	0.00
Professional Fees	0.00	0.00	0.00
Property Taxes	57,242.68	58,089.63	55,581.09
Total Income	<u>57,242.68</u>	<u>58,089.63</u>	<u>55,581.09</u>
Gross Profit	57,242.68	58,089.63	55,581.09
Expense			
Administrative	0.00	0.00	0.00
Closing Cost on Bond Sales	0.00	0.00	0.00
Debt Service			
Interest	0.00	0.00	0.00
Principal	0.00	0.00	0.00
Total Debt Service	0.00	0.00	0.00
Dues and Memberships	0.00	0.00	0.00
Economic Grants Issued	375,000.00	0.00	0.00
Professional Services			
Other Professional Services	0.00	10,000.00	0.00
Total Professional Services	0.00	10,000.00	0.00
Total Expense	<u>375,000.00</u>	<u>10,000.00</u>	<u>0.00</u>
Net Income	<u><u>-317,757.32</u></u>	<u><u>48,089.63</u></u>	<u><u>55,581.09</u></u>

Pocatello Development Authority
Profit & Loss by Class
 October 2012 through March 2013

	Unclassified	TOTAL
Income		
Interest Income	0.00	3,360.76
Proceed from sale of bonds	0.00	309,808.59
Professional Fees	0.00	10,000.00
Property Taxes	0.00	793,627.13
Total Income	0.00	1,116,796.48
Gross Profit	0.00	1,116,796.48
Expense		
Administrative	0.00	11,393.88
Closing Cost on Bond Sales	0.00	106,445.00
Debt Service		
Interest	0.00	202,875.00
Principal	0.00	1,004,409.18
Total Debt Service	0.00	1,207,284.18
Dues and Memberships	0.00	750.00
Economic Grants Issued	0.00	1,069,459.96
Professional Services		
Other Professional Services	0.00	16,016.30
Total Professional Services	0.00	16,016.30
Total Expense	0.00	2,411,349.32
Net Income	0.00	-1,294,552.84

April 1, 2013

Ryan Ward, Chair
Pocatello Development Authority
City of Pocatello
911 North 7th Avenue
Pocatello, Idaho 83205

Dear Mr. Ward,

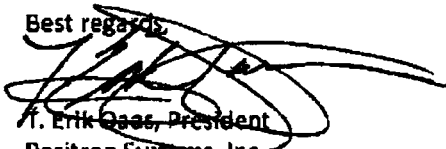
Thank you for your letter related to the Deed of Trust on the Positron Systems, Inc. building located at the Idaho Accelerator Center in Pocatello. Positron Systems, Inc. has a number of updates to provide to the PDA in its efforts to determine a future path with our company.

1. As you are well aware, the economic meltdown of the past several years has created a nearly impossible environment for small companies like ours to obtain development capital. This has been particularly evident in new startup ventures. We had hoped to launch the medical isotopes manufacturing business called Acceloris and utilize the radioactive shielded building subject to the DOT with PDA. Our initial "Angel Investor" funding dried up due to the disastrous economic downturn and commercial funding sources became non-existent. Even the so-called hard money lenders were nowhere to be found. The Acceloris business model remains quite attractive in spite of the lack of progress by ISU in its development of the "high risk-high reward" Moly-99 project. We have this business model essentially shelved until the lending market normalizes.
2. We have made measured progress in the development efforts of our core technologies at Positron Systems, Inc. over the past 2 years and are in active discussions with our stakeholders at the Tinker USAF Base located in Oklahoma City, OK. The primary focus of discussion is on our technology to locate and map corrosion in aluminum airframe material. Apparently, this centers around one of the largest cost drivers for repair and maintenance of the aging aircraft in the USAF. We hope to win a final phase grant with the USAF for completion of a working prototype that ultimately would be targeted for a commercial application.
3. The second technology making marked progress is the positron annihilation technology centered on our PS-6100 Test and Measurement System. The application showing significant promise is in the area of quality assurance for cold-working manufacturing such as LSP (laser shock peening). We have demonstrated very impressive results for detecting and measuring cold working methods and now putting our efforts on increasing our throughput test times. This technology has been of interest for both commercial applications as well as military applications.

The company is not in a financial position currently to pay back the existing loan secured by the Deed of Trust. However, we are quite confident that if we could work out another two year extension with the PDA, we would certainly be in a position at that time to address this existing obligation.

Could you please let me know how best we provide the dialogue and communication with the PDA prior to your meeting on the 17th? I would be happy to drive to Pocatello and meet with the PDA either in advance of the meeting on the 17th and/or at that meeting. Please let me know your preference.

Best regards,


Erik Oaas, President
Positron Systems, Inc.

Pocatello Development Authority Board Meeting

April 17, 2013

Agenda

- IPA Technology Update
 - Opportunities
- XCIS (PCA) Technology Update
 - Technology validation
 - Opportunities
- Proposal
- Questions

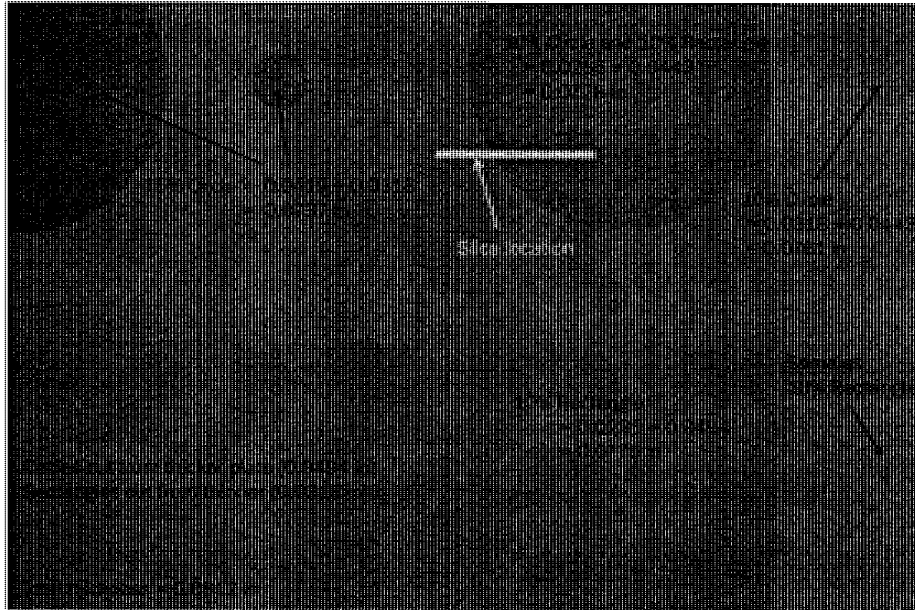
IPA Opportunities

- NDT “Plus Up” with Wyle and Tinker AFB
 - Concluded
- GE Global
 - GE Recently Visited, Activities moving Forward
 - Issuing a purchase order for research
- University of Cincinnati
 - Collaboration on Data Continuing
 - Possible NSF STTR Opportunity Identified

IPA Opportunities, (Continued)

- Hill Engineering
 - EPRI Polaris Program On Hold
 - AFRL Effort Currently in Review
- Rapid Innovation Funding with UC, MIC or LSP
- Tinker AFB, Warner Robbins AFB, and Hill AFB Cold Working SBIR inspection program
- Medico Industries
 - Recent Interest, parts with possible Hydrogen Embrittlement

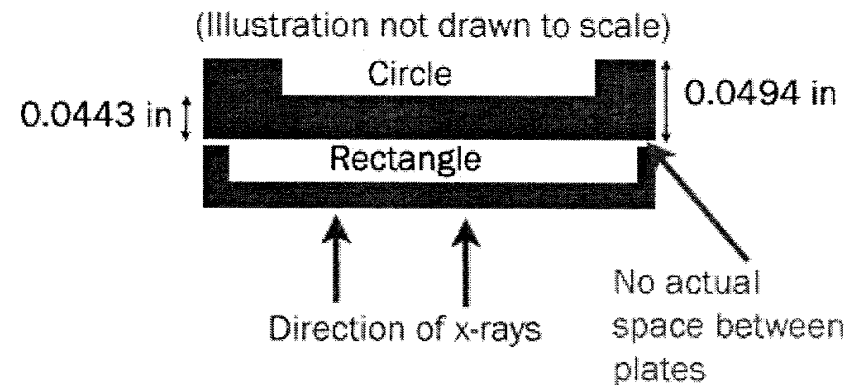
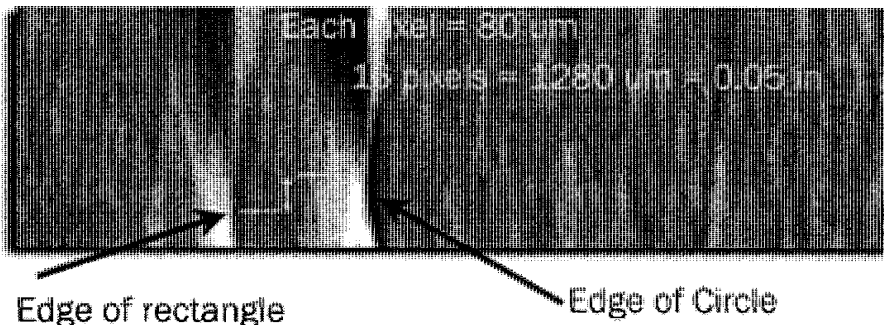
XCIS (PCA) Technology Update



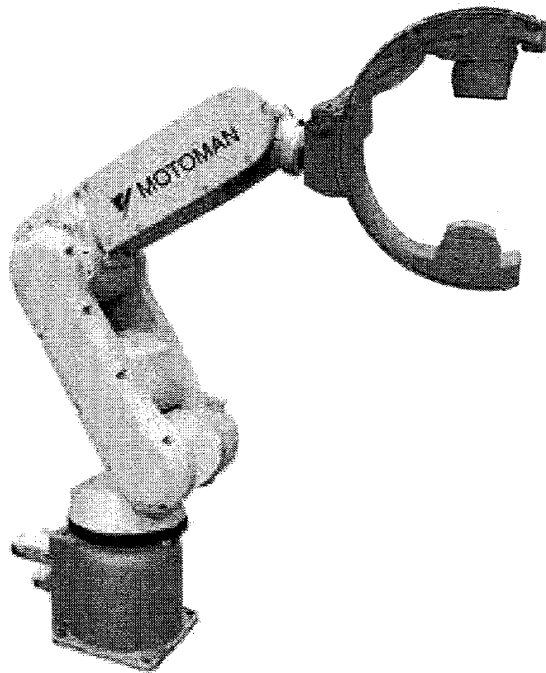
- Reference Samples provided by Wyle

- Top: Absorption Image showing Slice Location

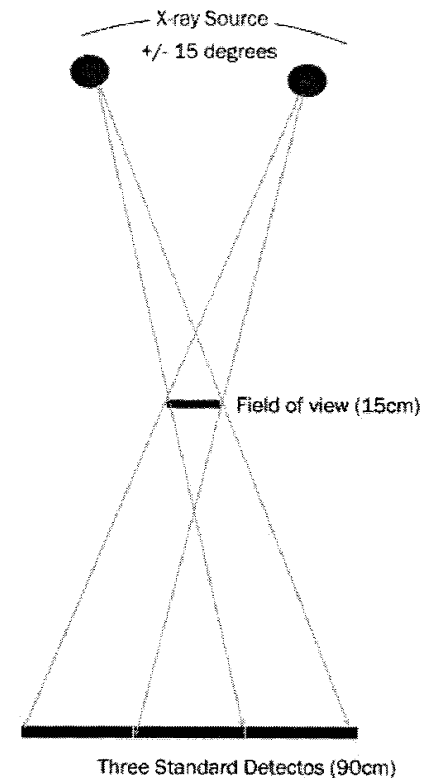
- Bottom: Tomosynthesis Slicing Showing Difference in Depth Location of Features



XCIS Prototype Concepts



Connected Detector Set-Up:
Detector and Source Attached
via C Arm



Decoupled Detector Set-Up:
Detector Separated from Source,
Could be Placed Inside Regions of Aircraft

Phase II SBIR Status (XCIS)

- Tinker AFB wants extension to December 2013
- Continuation Funding:
 - RIF with 2011 leftover funds (#1 Option)
 - Phase II Extension
 - STTP
 - AFRL direct purchase/funding - \$1,200,000
- Wyle Labs brought on as Subcontractor
- Tinker B-52 program strongly endorses XCIS technology and is sponsoring funding efforts

Phase II (XCIS) Strategy

- Overarching Goal - TRL (Technology Readiness Level) 6 or higher
 - Expect MRL (Mfg. Readiness Level) 8-9 by end of Phase II
- Prototype Strategy with Wyle Labs
- Wyle Labs IR&D Board Awarded \$100K in Funding to the XCIS Project
 - “Kickoff” Scheduled Next Week
- Test Strategy
- Automation Strategy
- Software Integration Strategy
 - Understanding Tomosynthesis Software
 - Integrate Imaging Software with Inspection Manager

Phase III (XCIS) Strategy - STTP

Funding Plan

Source	Prior Yrs	2013	Totals**
SBIR Phase II	\$750		\$750
STTP		\$1200	\$1,200
Positron Team*	<u>\$0</u>	<u>\$250</u>	<u>\$250</u>
Totals (000's)	\$750	\$1450	\$2,200

*Positron Team funding includes \$100K from Positron Shareholders, \$50K from the State of Idaho, and \$100K from Wyle IR&D funds.

** Total funds predominately paid to partners: Vanderbilt University, Wyle and ISU

Phase III (XCIS) Technology Plan

- Utilize STTP funds to research additional inspection applications/metals or composites
- Define technology roadmap for the life of the STTP funding – through 2016
- Identify strategies that would be most beneficial to the Air Force and the XCIS commercialization effort

XCIS Opportunities

- **“Largest cost driver in maintenance depots is aluminum corrosion...”** Tinker AFB
- Partners Wyle, Vanderbilt, and Tinker AFB are well pleased with our progress
- Exploring commercial aviation possibilities
- Connecting with major firms that have maintenance contracts with Air Force and Navy
- B-52 Maintenance team has identified test areas for XCIS implementation

Capital Call - Shareholders

- Positron needs \$100K to match Idaho IGEM grant and Wyle IRD funds (STTP Proposal)
- Oaas Laney is willing to put up cash to help fund STTP transition
- Capital call will be extended to all shareholders – Oaas Laney is willing to fund 100% if no shareholders participate
- Oaas Laney has \$200K (and growing) note receivable outstanding that needs to be addressed going forward

Proposal to Pocatello Development Authority

Payment Proposal for Pocatello Development Authority						
4/16/2013						
Loan Amount:	\$400,000					
Prepayment Penalty:	\$0					
	Sept 2013 - Aug 2014	Sept 2014 - Aug 2015	Sept 2015 - Aug 2016	9/1/2016	TOTAL	
Monthly Payments	\$ 1,000	\$ 3,000	\$ 5,000			
Balloon Payment				\$292,000		
Total Payments	\$ 12,000	\$ 36,000	\$ 60,000	\$292,000	\$ 400,000	

Questions

LIABILITY, ERRORS, AND OMISSION INSURANCE

ICRMP

...more than just insurance



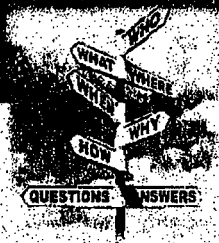
*Pocatello
Development
Authority*

MEMBER COUNCIL OF THE NATIONAL ASSOCIATION OF MUNICIPAL EMPLOYERS

MEMBER OF THE NATIONAL ASSOCIATION OF MUNICIPAL EMPLOYERS

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Who We Are

Idaho Counties Risk Management Program was formed in 1985 by several Idaho Counties at a time when private insurance markets were no longer available to local governments. Organized through a Joint Powers Agreement (JPA) under which members join with one another, elect a Board of Trustees, and share a governance of their program. No private entities are, or ever will be members of ICRMP. The Program is not a branch of a commercial insurer. Its personnel are right here – meeting your needs.

The 10-member board of trustees represents the pool members and shapes the ICRMP program. A county commissioner from each region of Idaho is elected by the counties to serve on the ICRMP board. The counties also elect a commissioner at large. The Idaho Sheriffs Association appoints a representative to serve as ex-officio member. Cities and special purpose districts are represented by electing one of two regional representatives.

As such, we are a member owned and governed property and casualty insurance program created exclusively for Idaho local governments. Our mission is to provide a stable and cost effective source of loss protection through risk management resources designed specifically to meet the needs of our members.

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

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

Rick Ferguson
Executive Director

Estimated Indication of Premium

\$935.00

- ❖ This proposal provides only a general description of the ICRMP public entity program. The coverage provided will be governed by the terms and conditions of the actual policies of insurance and Joint Powers Agreement issued. All claims, questions or disputes will be settled by reference to the actual policies and Joint Powers Agreement.
- ❖ This quote is based on reported property values of (\$10,000), and annual payroll wages of (\$0). ICRMP reserves the right to adjust the member contribution if the information entered into our eAgent online system differs from the amounts used during the quote process.
- ❖ This quote is valid only to a verified public entity within the State of Idaho.
- ❖ ICRMP is an admitted and approved reciprocal insurer in the State of Idaho and its forms are approved by the Idaho Department of Insurance.
- ❖ Available coverages are listed below.

Property

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

Coverage	Limits	Coverage Basis	Deductible
Architect's Fees	\$250,000	Per covered occurrence.	The first (\$500) of any loss is applicable to all property coverages listed herein, excepting flood and earthquake losses.
Fine Arts	\$500,000	Per covered occurrence or in the aggregate for multiple occurrences.	
Ordinance Deficiency	\$5,000,000	Per covered occurrence.	
Preservation of Property	\$25,000	Per covered occurrence.	
Newly Acquired Property	\$10,000,000	Per covered occurrence.	
Property in Course of Construction			
• New	\$250,000	Per covered occurrence.	
• Repairs or Renovations of Existing	\$1,000,000	Per covered occurrence.	
Service Animals	\$10,000	Per covered occurrence.	
Earthquake*	\$50,000,000	Annual aggregate – all ICRMP members combined.	
Flood			**Flood Type A: The first \$100,000 of any loss. ***Flood Type B: The first \$500,000 per building and first \$500,000 per contents.
• Flood Type A**	\$50,000,000	Annual aggregate – all ICRMP members combined.	
• Flood Type B***	\$5,000,000	Annual aggregate – all ICRMP members combined.	
Automobile/Mobile Equipment Physical Damage	\$1,000,000	Per covered occurrence while in use.	
	\$3,000,000	In the aggregate for multiple items when not in use.	
Operational Disruption Expense	\$1,000,000	Per covered occurrence or in the aggregate for multiple occurrences.	
Valuable Papers and Records	\$1,000,000	Per covered occurrence or in the aggregate for multiple occurrences.	
Overall Aggregate Property Limit	\$200,000,000	In the aggregate annually for all property coverage and all limits for all ICRMP members collectively.	

General Liability

- Including Law Enforcement Liability and Sexual Molestation Liability

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

Automobile Liability

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

Errors and Omissions (Claims Made)

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

\$ 5,000,000 Indemnification Limit In the Aggregate Annually For Sections GL, AL and EO Combined
\$ 3,000,000 Defense Cost Limit In the Aggregate Annually For Sections GL, AL and EO Combined

Crime Insurance

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

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

Chemical Spraying

Coverage	Indemnification Limits	Defense Costs Limits	Coverage Basis	Deductible
Chemical Spraying Activities Liability	\$500,000	\$500,00	Per covered occurrence and/or in the aggregate for multiple occurrences.	No deductible for this section.
Emergency Clean-Up Expense	\$5,000 \$10,000		Each Person. Each Accident.	

Machinery Breakdown

Coverage	Limits	Coverage Basis	Deductible
Off Premise Property Damage	\$100,000	Per covered occurrence.	The first (\$500) of any loss in this section.
Data or Media (Property)	\$1,000,000	Per covered occurrence.	
Data or Media (Bus. Income & Extra Expense)	\$5,000,000	Per covered occurrence.	
Ammonia Contamination	\$1,000,000	Per covered occurrence.	
Consequential Loss	\$1,000,000	Per covered occurrence.	
Hazardous Substance	\$500,000	Per covered occurrence.	
Water Damage	\$2,500,000	Per covered occurrence.	
Fungus	\$15,000	Per covered occurrence.	
Expediting Expenses	\$2,500,000	Per covered occurrence.	
Spoilage Damage	\$1,000,000	Per covered occurrence.	
Utility Interruption	\$2,500,000	Per covered occurrence.	
Newly Acquired Premises	\$5,000,000	Per covered occurrence.	
Ordinance or Law	\$5,000,000	Per covered occurrence.	
Errors and Omissions	\$10,000,000	Per covered occurrence.	
Overall Aggregate Equipment Breakdown Limit	\$100,000,000	In the aggregate annually for all ICRMP members collectively.	

Endorsements

Coverage	Limits	Coverage Basis	Deductible
Upset & Overturn	\$25,000	Per covered occurrence and in the aggregate.	The first (\$500) of any loss in this section.
Terrorism	\$20,000,000	In the aggregate annually for ICRMP members collectively	The first (\$500) of any loss in this section.
Canadian Coverage Territory Sections V through VIII	\$500,000	Per covered occurrence.	The first (\$2,500) of any loss in Section V.

NEW MEMBER INFORMATION:

-Agency Name

-Agent

1. Name of Entity:
2. Physical Address:
3. Mailing Address:
4. City:
5. Zip Code:
6. Phone Number:
7. Fax Number:
8. Risk Manager Name:
9. Risk Manager Email:
10. Risk Manager Title:
11. Does the member conduct Mosquito Abatement Operations: Yes/No
12. Does the member conduct Weed Eradication Operations: Yes/No
13. Does the member conduct Rodent Abatement Operations: Yes/No
14. Does the member own or operate any Airport: Yes/No

Comments:



**JOINT POWERS SUBSCRIBER
AGREEMENT**

**APPROVED BY BOARD OF TRUSTEES
FOR USE AFTER OCTOBER 1, 2012**

JOINT POWERS SUBSCRIBER AGREEMENT

Idaho Counties Risk Management Program, Underwriters

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

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

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

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

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

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

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

ARTICLE 1. DEFINITIONS.

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

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

ARTICLE II. ESTABLISHMENT, MAINTENANCE AND PARTICIPATION IN ICRMP.

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

ARTICLE III. PURPOSES AND DURATION.

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

ARTICLE IV. MANNER OF FINANCING.

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

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

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

ARTICLE VI. ICRMP POWERS AND DUTIES.

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

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

undertakings might not be known at the time of entering into this Agreement, or might not be included within the specific powers enumerated in this Article.

- (j) To sue and be sued.
- (k) To enter into contracts.
- (l) To reimburse BOARD members for reasonable and approved expenses incurred in attending to BOARD responsibilities.
- (m) To provide security, insurance or bonds regarding the official responsibilities of all officers, BOARD members and employees of ICRMP.
- (n) To borrow funds with approval by the BOARD as necessary for current operating purposes, so long as repayment is achieved before the conclusion of the subsequent fiscal year.
- (o) To take appropriate steps to protect pool resources from careless or reckless conduct by ICRMP MEMBERS or by individual public officials of Member entities.
- (p) To establish terms and conditions of initial or continued Membership in the ICRMP PROGRAM.

ARTICLE VII. PARTICIPATION.

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

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

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

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

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

to the insurance program/policy or any other aspect of PROGRAM operation, prior to addressing any such disagreement to a state or Federal administrative agency or prior to initiating legal action against ICRMP. MEMBERS expressly agree to follow the internal dispute resolution procedures adopted by the BOARD before contesting administrative determinations, coverage or claims non-payment issues in a court of law or before a regulatory agency. Such procedures require MEMBERS to thoroughly disclose any bases for such disagreement in writing to the BOARD prior to being heard in the process of resolving any such dispute. MEMBER expressly agrees that failure to exhaust the internal dispute resolution procedures established by the BOARD constitutes a material breach of this JPA. MEMBER further agrees not to initiate legal action against the PROGRAM or initiate contested procedures before any state or Federal regulatory agency regarding any dispute with the PROGRAM until said dispute resolution procedure has reached its conclusion before the BOARD within a reasonable timeframe. MEMBER agrees that ICRMP may enforce this provision by seeking the remedy of specific performance in a court of competent jurisdiction. A MEMBER that pursues a remedy in court or before a regulatory agency agrees to reimburse the PROGRAM its reasonable costs and attorney fees incurred in defense of any such suit or administrative proceeding if the matter has not first been brought to the BOARD pursuant to this dispute resolution procedure. The restrictions contained in this subsection may be waived by mutual agreement of the PROGRAM and the MEMBER.

- (3) The basic elements of the dispute resolution procedure within ICRMP shall include the following:
 - (a) Filing a written statement by the MEMBER stating the specific basis for disagreement with a decision by the Executive Director or BOARD regarding aspects of PROGRAM operation or contribution requirements, provision of coverage or non-payment of a claim for money damages. Such filing shall be followed promptly by a conference with the Executive Director, in person or by telephone, to attempt to resolve the stated differences. The Executive Director shall thereafter respond to the MEMBER in writing not more than ten (10) business days after the conference. Such written response shall set forth the basis of the Executive Director's decision concerning the contested matter. If the matter contested involves a decision originally made by the BOARD, the request for BOARD consideration can be routed directly to the BOARD if the Executive Director lacks authority to revise a BOARD-established policy, practice or result.
 - (b) Following receipt of the Executive Director's written response, MEMBER may appeal the determination of the Executive Director to the BOARD. Any such appeal shall be made in writing setting forth the specific basis for the appeal and the particular reasons for the disagreement with the determination of the Executive Director. When an appeal is received at least fourteen (14)

days prior to a BOARD meeting, it will be included on the next BOARD agenda. If an appeal is not received at a time that allows it to be timely placed upon the agenda of the next BOARD meeting, the MEMBER and Executive Director, working in consultation with the Chairman of the BOARD, shall determine whether the matter is of such importance and urgency that it requires the call of a special BOARD meeting or whether it can be addressed at the next regularly scheduled BOARD meeting without irreparably harming the MEMBER. If a MEMBER insists upon the call of a special meeting by formal action of its governing board, a special meeting of the BOARD shall be called to hear the appeal.

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

ARTICLE IX. MEMBER CONTRIBUTIONS.

The BOARD of ICRMP shall establish annual or periodic contribution amounts for MEMBERS. The PROGRAM may change contribution amounts charged to any MEMBER from year to year to reflect changes in PROGRAM operating costs, changes in risk resulting from operational changes, changes in property values or ownership, reevaluation of operating risks, MEMBER conduct concerning exposures or risks or refusal to participate in or willful violation of safety or loss prevention programs or for other reasons established by the BOARD. Conversely, the PROGRAM may offer contribution amount incentives for any MEMBER that faithfully participates in loss prevention and safety programs or for other reasons established by the PROGRAM. Each MEMBER'S contribution amount shall be calculated in accordance with rate determination methods approved by the BOARD for any Policy Year, unless additional coverage is requested by the MEMBER. MEMBERS acknowledge that rate-setting is not a matter of precise application of an arithmetic formula, but rather reflects both tangible and intangible elements that are shaped by a combination of PROGRAM experiences and informed

administrative discretion as delegated by the BOARD. No MEMBER may be further assessed during a Policy Year unless in response to a material change in property or activities not disclosed or addressed at the time of annual renewal. Additional contribution amount may be charged when changes are made to covered property or activities during the course of a year. The PROGRAM reserves the right to condition continued participation by any MEMBER upon compliance with specific performance requirements, payment of modified deductible amounts and such other measures as the PROGRAM deems necessary or appropriate. The PROGRAM also reserves the right to discontinue membership or diminish coverage or limits or increase the self-insured responsibility of any MEMBER that does not cooperate with PROGRAM goals, objectives, or requirements or that acts without regard to consequences concerning matters that affect ICRMP and its MEMBERS.

ARTICLE X. BOARD OF TRUSTEES – ELECTION AND REPRESENTATION.

The BOARD of Trustees shall be comprised of nine (9) elected public officials, upon the initial effective date of this JPA, seven (7) of whom shall be county commissioners and two (2) who shall hold elective office in other POLITICAL SUBDIVISIONS. The ratio of county to other representatives is subject to change as addressed by future changes to the County Member at Large position as set forth in subsequent subsections of this Article. The electoral/appointive boundaries for designated BOARD members shall be organized as follows:

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

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

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

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

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

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

Region I: Elected official of a political subdivision other than a county from within Districts I, II, and III elected by all political subdivisions in the Region except counties.

Region II: Elected official of a political subdivision other than a county from within Districts IV, V and VI elected by subdivisions in the Region, except counties.

County/Special District Member at Large: Elected commissioner of any MEMBER County elected by county MEMBERS until the current County Member at Large concludes his service by resignation, retirement or removal during the course of a term or upon such Board member's decision not to run for re-election as a county commissioner or as a member of the Board, even if continuing to serve as a county commissioner. Thereafter, the Member at Large position will transition to be open only to service by elected officials from POLITICAL SUBDIVISIONS other than counties and cities (special purpose districts) to be selected by the vote of the Board, chosen from nominees submitted by non-county or non-city MEMBERS. Simultaneous with such appointment, the Regional positions shall be subsequently limited in future elections to service by elected city officials from the respective Regions outlined above, elected solely by City MEMBERS of ICRMP from within the respective regions. Regional

representatives who are not city officials will be allowed to serve until the conclusion of their then-current term of office, being transferred to the special purpose district seat for the remainder of such term. The BOARD is hereby authorized to take such actions as it deems necessary to implement the transitions called for by this JPA concerning the Regional and At-Large seats on the BOARD.

Each member of the BOARD shall be either a commissioner elected from a MEMBER County or an elected official of a MEMBER representing a city or other POLITICAL SUBDIVISION, and shall serve for a period of two (2) years, or until a successor is elected or appointed. Four (4) members of the BOARD (even-numbered County Districts and the Region II seat) shall be elected for two (2) year terms in November/December of odd-numbered years, while another five (5) members of the BOARD (odd-numbered County Districts and the Region I seat plus the County Member at Large/Political Subdivision, other-than-county-or-city seat), shall be elected/appointed for two (2) year terms in even-numbered years. For purposes of this Agreement, a "Board Seat" shall be defined as the position on the ICRMP Board of Trustees designated for and occupied by the representative duly elected or appointed from a District, Region or At Large, respectively, as outlined in this Section. The Executive Director shall administer the election process in order to allow election results to be canvassed by the BOARD during its December meeting. The respective boards of county commissioners of each MEMBER county may cast a ballot for their District member of the BOARD; governing boards of POLITICAL SUBDIVISIONS other than counties may vote for regional representatives and all MEMBER boards of county commissioners may cast a ballot for the county representative at large so long as that position remains a county position. Valid ballots must be received by ICRMP at a time and place specified by the Executive Director prior to the BOARD's final meeting each calendar year. Once the transition from county member-at-large to other political subdivision member-at-large has occurred, regional representatives will be elected only by MEMBER cities and the member at large will be nominated only by governing board members of other political subdivisions. Each member of the BOARD shall serve from the date of the first BOARD meeting in the year succeeding his election/appointment through the conclusion of his/her term when a succeeding BOARD member is seated or for another term if the BOARD member is re-elected/reappointed.

Article XI. REMOVAL OF BOARD MEMBER

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

The second alternative to refer a BOARD member's continued service to his constituent electors would be a no-confidence declaration by members of the ICRMP BOARD. By majority

vote of no confidence, exclusive of the BOARD member in question, the BOARD may choose to submit the question of continued service by an elected BOARD member to the BOARD member's constituent electors, stating in any motion to proceed with such election the express reasons therefore. Any BOARD member appointed to fill the remainder of an elected member's term shall be treated as an elected BOARD member.

In the event of receipt of a qualifying no-confidence petition, or following a no-confidence vote by the ICRMP BOARD, the question to be presented to a BOARD member's constituent electors would be whether the identified BOARD member should continue to serve on the BOARD. The reasons for no-confidence stated in the petition from dissatisfied MEMBERS or expressed in the motion by BOARD shall be included in election materials sent to constituent electors along with a statement prepared by the BOARD member in response. Neither message shall exceed three hundred (300) words. Voting on any such election shall be open for at least twenty-one (21) days from the date ballots are first mailed. The Executive Director shall establish a time and date-certain by which all ballots must be received. Votes shall be tallied by the Executive Director or his designee(s). A majority of lawful votes cast shall determine the outcome. If a no-confidence vote results in removal of BOARD member, the seat may be refilled by BOARD appointment until the next election wherein a replacement can be elected to fill a new term or the remainder of the prior term, whichever is applicable.

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

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

The BOARD shall have the following powers and duties:

- (1) To annually elect a chairman and vice-chairman. Each officer shall serve until his or her successor is elected.
- (2) To admit or expel MEMBERS, or to condition continued participation in the PROGRAM, in accordance with this Agreement.
- (3) To establish procedures for determining contribution amounts and authorizing payment procedures for MEMBERS.
- (4) To establish the insurance and risk management program design.
- (5) To provide for selection of all personnel and contractors necessary for the administration of ICRMP, including the appointment of an Executive Director to supervise the business of the PROGRAM and carry out other functions delegated by the BOARD.
- (6) To establish a schedule for BOARD meetings.
- (7) To exercise all powers of ICRMP, except powers reserved to the MEMBERS.

- (8) To prepare, adopt and oversee ICRMP's budget.
- (9) To receive reports concerning PROGRAM activities and to make reports to the MEMBERS.
- (10) To provide for underwriting, claims and loss control procedures.
- (11) To provide for the investment and disbursement of funds.
- (12) To establish by-laws, rules and regulations governing its own conduct and procedures and the powers and duties of its officers, not inconsistent with this Agreement.
- (13) To provide to MEMBERS an annual report of operations and financial affairs.
- (14) To form committees and advisory panels; and to provide other services as needed by ICRMP. The BOARD shall determine the method of appointment and terms of members of committees and advisory panels.
- (15) To submit to MEMBERS a subsequent, substitute, or replacement JPA at the date of periodic renewal, or otherwise, for re-adoption or express acceptance by MEMBERS.
- (16) To dissolve ICRMP and disburse its remaining assets when BOARD action is accompanied by a two-thirds (2/3) vote of the entire then-current MEMBERSHIP, provided that a notice of intent to dissolve ICRMP shall be given to the Director of the Department of Insurance of the State of Idaho at least ninety (90) days prior to the proposed effective date. Like notice of such intent shall be provided to all MEMBERS at least thirty (30) days before any such vote regarding dissolution.
- (17) To appoint or remove appointed or non-voting *ex-officio* members of the BOARD
- (18) To do or delegate all acts necessary and proper for the implementation of this Agreement.

ARTICLE XIII. ESTABLISHMENT OF LOSS PAYING FUND.

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

ARTICLE XIV. SCOPE OF COVERAGE.

- (1) ICRMP shall provide policy protection to each MEMBER as provided in the MEMBER'S policy of insurance. MEMBER acknowledges that the policy of insurance transfers risk of loss from the MEMBER to ICRMP subject to the terms, conditions and exclusions addressed by the policy. MEMBER acknowledges that not all risks are insurable and that any excluded risks are not transferred pursuant to this Agreement.
- (2) In the event that a claim or a series of claims exceeds the amount of coverage provided by the MEMBER's Policy, payment of valid claims shall become the sole and separate obligation of the individual MEMBER or MEMBERS against whom the

claim was made and perfected by litigation or settlement. No Subscriber shall be entitled to a contribution from other MEMBERS beyond the annual amount obligated by this Joint Power Subscribers Agreement and the policy of insurance which complements it.

ARTICLE XV. MEETINGS OF THE BOARD OF TRUSTEES.

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

ARTICLE XVI. LIABILITY OF BOARD OF TRUSTEES OR OFFICERS.

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

ARTICLE XVII. WITHDRAWAL FROM MEMBERSHIP.

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

equity to any portion of liquidated surplus or to any credit or dividend should any be declared by the Board of Trustees.

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

- (1) Any MEMBER may be expelled at the initiation of the Executive Director or the BOARD at any time during a policy year for one or more of the following reasons:
 - (a) Failure to make any payments due to ICRMP.
 - (b) Willful failure to undertake or continue loss reduction or loss prevention recommendations by ICRMP.
 - (c) Failure to allow ICRMP reasonable access to all facilities and records of the MEMBER necessary for proper administration of ICRMP.
 - (d) Failure to fully cooperate with ICRMP's attorneys, claim adjusters or other agents, employees, or officers of ICRMP.
 - (e) Failure to carry out any obligation of a MEMBER which impairs the ability of ICRMP to carry out its purpose or powers.
 - (f) Exhibiting reckless behavior which causes claims which could have been avoided by prudent or responsible action.

- (2) No MEMBER expulsion shall be effective until at least thirty (30) days after notice from the Executive Director of the alleged failure of performance, however the notice from the Executive Director may include exclusions from, or limitations on, coverage related to foreseeable actions addressing conduct of the MEMBER. Any such exclusions or limitations shall be effective immediately unless subsequently rescinded by BOARD action or modified by mutual agreement. Notice to a MEMBER shall state whether a cure is believed to be possible. The MEMBER may request, in writing, a hearing before the BOARD, either by telephone or in person, within fourteen (14) days of the notice provided by the Executive Director. MEMBERS must act through their governing board. Notices of expulsion are subject to the Dispute Resolution Procedure set forth in Article VIII. If a decision to expel is affirmed after hearing, such date of expulsion shall relate back to the date of initial decision to expel by the Executive Director or the BOARD from which the notice of intent to expel derives. The rights of any expelled MEMBER shall be as set forth in this Agreement or upon such other terms and conditions as the BOARD may negotiate with the expelled MEMBER. Nothing in any policy of Insurance shall contravene provisions of this JPA respecting separation from the PROGRAM.

- (3) Any MEMBER separating from ICRMP (withdrawing or expelled) shall not be entitled to any reimbursement of contribution amounts that have been paid unless otherwise required by provisions of applicable law. All claims relating to events occurring after the date of separation from ICRMP shall become the sole responsibility of the separated Subscriber. With respect to any Claims Made coverage provided to a MEMBER, any claims occurring or reported after the date of separation from ICRMP shall become the sole responsibility of the separated

MEMBER. Any MEMBER expelled from the PROGRAM by action of the Board of Trustees shall have any entitlement to liquidation value provided pursuant to this JPA reduced by the amount of ultimate net loss that exceeds the MEMBER's contributions for the period of liquidation rights established by the terms of the JPA then in effect. Such entitlement to liquidation value shall be payable only upon actual liquidation of the PROGRAM.

- (4) As an alternative to expulsion the BOARD or Executive Director may, at any time, condition continued participation in the PROGRAM upon compliance with specific terms and conditions established by agreement between the MEMBER and ICRMP. Conditions may include consultation requirements, increased deductible amounts, increased MEMBER contributions, restriction of coverage, diminishment of coverage limits and such other limitations as the BOARD may deem reasonable to protect the resources of ICRMP.

ARTICLE XIX. BINDING CONTRACTUAL OBLIGATION.

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

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

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

ARTICLE XXI. SEVERABILITY.

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

ARTICLE XXII. POWER OF ATTORNEY - EXPENSES AND DUTIES.

- (1) To the extent required by Idaho Code Title 41, Chapter 29, and not inconsistent with applicable constitutional and statutory obligations and prerogatives, MEMBER hereby appoints Idaho Counties Risk Management Program, Underwriters (ICRMP), as its Attorney-in-Fact empowered to take all actions and execute all documents which are necessary or appropriate in carrying on the business of insurance through ICRMP on behalf of MEMBER. MEMBER agrees that the BOARD of ICRMP may delegate powers to an Executive Director in accordance with this JPA.
- (2) The Executive Director appointed by the BOARD is hereby empowered by the undersigned to accept service of process on behalf of ICRMP. The Director of the Department of Insurance of the State of Idaho is also authorized to receive service of process in actions against ICRMP upon contracts of insurance provided to Subscribers of ICRMP. Such authorization does not supersede the procedural requirements of this Agreement. The general services to be performed by the Executive Director shall include: (a) issuing, underwriting and servicing policies of insurance; (b) contracting with agents for sale and servicing of policies of insurance; (c) executing treaties of reinsurance or contracts of excess insurance; (d) providing risk management services and administering programs to diminish claims for damages and (e) supervising the investment policy of ICRMP. The Executive Director's obligations and liability shall be limited by the terms and conditions of ICRMP's JPA and by the Idaho Tort Claims Act.
- (3) The general items of expense to be paid by ICRMP shall include, but not be limited to: (a) losses and claims payments; (b) allocable claims expense; (c) governmental charges, license fees, and lawful taxes; (d) expenses incurred in auditing ICRMP's books and records; (e) contribution amount collection costs; (f) BOARD expenses; (g) premiums on reinsurance and excess insurance; (h) fees of investment counsel and direct investment expense; (i) salaries and expenses of officers and employees of ICRMP; (j) disbursement of dividends; (k) special expenses authorized by the Board of Trustees of ICRMP; (l) broker and agent commissions; (m) indemnity insurance premiums; (n) home and branch office expense; and (o) actuarial, auditing, legal, risk management and loss prevention expenses.
- (4) The Power of Attorney conveyed herein shall expire upon termination of all obligations of ICRMP. The policies of insurance issued by ICRMP are conditional

upon payment of MEMBER contributions to ICRMP. The liability of each MEMBER for the obligations of ICRMP shall be an individual, several and proportionate liability and not a joint liability. The liability of each MEMBER shall be limited as stated in this JPA provided, however, that in no event shall any MEMBER be required to contribute more than the amount authorized by applicable state statutes and constitutional provisions pursuant to which ICRMP is established.

ARTICLE XXIII. MISCELLANEOUS PROVISIONS - NOTICE.

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

resolve or avoid claims will remain confidential pursuant to the Attorney-Client privilege and that written materials generated as a consequence of such effort to assist MEMBER shall constitute attorney work product. MEMBER further agrees that the employees, contractors and/or legal counsel of ICRMP when acting in a loss control capacity are representing ICRMP, not MEMBERS, and that information obtained in such loss control capacity may be provided to ICRMP in order to carry out the purposes of this JPA.

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

ARTICLE XXIV. EXECUTION AND ATTEST.

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

POLITICAL SUBDIVISION: _____

SIGN HERE

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

Title: _____

Attest/Witness: _____
CLERK OR OTHER AUTHORIZED OFFICER

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

By: _____
EXECUTIVE DIRECTOR

PDA PRE-APPLICATION REVIEW MATRIX

Reviewer Name: _____

Date: _____

Review Element	Point Value Earned				
	0 Points	3 Points	5 Points	7 Points	10 Points
1 Deteriorated/Deteriorating Conditions?					
2 Ratio of Construction Value to Current Assessed Value?					
3 Quantity of Jobs Created?					
4 Quality of Jobs Created (Type/Wage)?					
5 Public Benefit of Project?					
6 Competition with Other Business?					
7 Ratio of Project Costs to Project Revenue?					
8 Certainty and Immediacy of the Project?					
9 Type of Assistance Required?					
10 Form of Assistance Requested?					
Column Totals					
All Total					

PDA PRE-APPLICATION REVIEW MATRIX

Reviewer Name: _____

Date: _____

Review Element		Point Value Earned				
		0 Points	3 Points	5 Points	7 Points	10 Points
1	Deteriorated/Deteriorating Conditions,					
2	Including: Predominance of Defective or Inadequate Street Layout, Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness {IC 50-2018(9)}					
3	Ratio of Construction Value to Current Assessed Value					
4	Quantity of Jobs Created					
5	Quality of Jobs Created (Type/Wage)					
6	Public Benefit of Project	???				
7	Competition with Other Business	???				
8	Ratio of Project Costs to Project Revenue					
9	Certainty and Immediacy of the Project					
10	Type of Assistance Required					
11	Form of Assistance Requested					
12	Does the project further Pocatello's economic development goals?					
13	Does the project further the goals of Pocatello's Comprehensive Plan?					
14	Could the project provide momentum for additional business or housing?					
15	Will the project significantly improve existing conditions?					
16	Will there be some positive economic impact for other local business?					
17	Are any of the businesses new to Pocatello or simply moving from another location?					
18	Is there significant infrastructure improvements/demolition/relocation beyond average conditions required?					
Column Totals						
All Total						

**POCATELLO DEVELOPMENT AUTHORITY (PDA)
Pre-Application for use of Tax Increment Financing**

Instructions:

1. Please complete each section of this pre-application.
2. The applicant should be the project owner or the duly appointed representative of the project owner.
3. This pre-application must be completed and submitted (PDA, 1651 Alvin Ricken Drive, Pocatello ID, 83201) by the first Monday of the month to be considered for the PDA meeting agenda on the 3rd Wednesday of that month.
4. Each pre-application is screened by staff and must meet a minimum score of 70 points (out of 100) for it to be considered for approval by the PDA Board.
5. PDA approval of this application is authorization to proceed to a full application.
6. A full application will consist of at minimum the following:
 - a. Project purpose statement.
 - i. Description of deteriorated or deteriorating conditions.
 - ii. Description of public benefits.
 - b. Scope of work.
 - i. The kind, number, and location of all proposed public works or improvements.
 - ii. A detailed list of estimated project costs.
 - iii. Construction timetables (including any proposed phasing).
 - iv. A detailed map and legal description of the project area.
 - c. Economic Analysis.
 - i. An economic feasibility study.
 - ii. A fiscal impact statement showing the impact of the project upon all taxing districts.
 - iii. A description of the methods of financing all estimated project costs.
7. Questions may be directed to the Executive Director for the Development Authority, 233-3500.

Application:

Name: MTBHT, L.C. Date: 4/11/13
 Mailing Address: 37C E. 100 S. #120 SLC, UT 84111
801-456-8800 801-559-0011
 Work Phone: _____ Cell Phone: _____ E-Mail: C.MOORE@MTNWEST.COM
 Project Description: WINCO FOODS / ALAMEDA PLAZA

Project Location: NEC ALAMEDA & YELLOWSTONE

Is this project currently in an urban renewal area? Yes No
 Is this project currently in a revenue allocation area? Yes No

If you answered 'no' to both questions above, please describe the "deteriorated or deteriorating" conditions associated with this location:

Current Assessed Value of Project Location: _____
 Estimated Construction Value of Project: \$5,123,054.50
 Number of jobs created by this project: 200 Wage range of jobs: YES
 Employee Benefits? Yes No If yes, please describe _____

PDA Pre-Application, Page 2

CONSTRUCTION JOBS 120 DAYS. FULL PART TIME
Time frame for job creation: RETAIL JOBS 8-10 MONTHS

Construction start date for Project: 8/1/13 Anticipated completion date: 4/1/2014

Briefly describe other public benefit(s) associated with this project: JOB CREATION, NATIONAL COMPANIES BROUGHT TO THE DEVELOPMENT. GROWTH

Does this project compete with other, already established businesses? How? NO, IT ADDS NEW VARIETY TO AREA.

Is this project currently subject to a competitive bid process? Please explain:

YES FOR SUB-CONTRACTORS. GC IS A PARTNER IN THE PROJECT.

Are there other applicants that may be interested in applying for PDA assistance for this same project? Please explain: NO, WE ARE THE ONLY GROUP THAT WILL BE ASSOCIATED WITH THIS PROJECT.

Relationship of named applicant to the project: Contract Owner / Manager

Type of Assistance Requested (check all that apply):

- Public Infrastructure (water, sewer, street, etc.).
- Public Facility (building, park, parking lot, etc.).
- Match for other funding.
- Inspections, tests, surveys, appraisals, etc.
- Property Acquisition.
- Structure Demolition and Clearance.
- Other? Please Specify _____

Amount of Assistance Requested: _____

Form of Assistance Requested: Grant of Funds.
 Loan of Funds.
 Reimbursement for Approved Expenditures.
 Pay-As-You Go.
 Bonding.
 Other? Please Specify _____

Other helpful information? Please list: ANY ASSISTANCE WILL HELP MAKE IT POSSIBLE FOR THIS REDEVELOPMENT. WE WILL TAKE AN EMPTY PROPERTY AND MAKE IT NEW. THIS AREA THANK YOU! WILL BE ALIVE AGAIN FOR THE COMMUNITY TO ENJOY.

ALAMEDA TIF

1	Deteriorated/Deteriorating Condition? a How long has there been vacant or deteriorating buildings on site? b How long has the site been vacant due to unusual conditions?	Over 10 years
2	What is the ratio of Construction Value to Assessed Value? a What is the new construction value? b What is the currently assessed value?	1.65 :1 \$ 20,627,138.00 \$ 12,467,375.00
3	How many jobs are anticipated?	200
4	Quality of Jobs anticipated?	Construction and typical Retail
5	Public Benefit?	Removal of vacant deteriorating buildings that currently cannot meet building code and providing new construction, new retail opportunities and new landscaping at a key intersection in Pocatello
6	Competition with other Business?	Typical retail competition with some new business not in Pocatello
7	Ratio of Project Total costs to Project Revenue? Ratio of Total Costs to PDA? a Project Total Costs including new construction? b Project Costs to PDA? c Project Revenue?	4.6 :1 0.6 :1 \$ 8,190,943.00 \$ 1,111,744.00 \$ 1,777,679.00
8	Immediacy of Project?	Construction will begin immediately
9	Type of Assistance?	Demolition, water/sewer and other infrastructure, landscaping
10	Form of Assistance?	demolition/removal, asbestos remediation up front; reimbursement as increment revenue is obtained for all others
11	Anticipated length of TIF	14 years* **
12	Gross PDA Revenue anticipated with shortened TIF period?	\$ 106,777.00

* reduction of 4 years potential with likely ITD participation/developer in construction of medians in year 5. This could reduce the estimated costs by as much as 75%, potentially ending the TIF in year 10.

** the annual reduction of property value provides additional potential income as property values in this area typically increase annually. This could add additional opportunity to close this TIF district early.