

AGENDA
SPECIAL SUN VALLEY AIR SERVICE BOARD MEETING
HAILEY CITY HALL
115 MAIN STREET SOUTH
HAILEY, ID
February 28, 2018 - 2:00 P.M.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

REMARKS FROM THE CHAIR

REMARKS FROM THE BOARD

CONSENT AGENDA *All items listed under the Consent Agenda will be approved in one motion without discussion unless any Board Member requests that the item be removed for individual discussion and possible action.*

1. Approval of Air Service Board Minutes of January 31, 20181

EXECUTIVE SESSION – Pursuant to Idaho Code § 74-206(1)(d) to consider records that are exempt from disclosure and Idaho Code § 74-206(1)(e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states;

OLD BUSINESS/REPORTS

2. Continuation of discussion regarding the Sun Valley Air Service Board Communities’ Administrative Costs;.....7
3. Continuation of discussion and possible action regarding a review and scope of work for an audit of Fly Sun Valley Alliance and Sun Valley Marketing Alliance; (No documents)
4. Discussion and possible adoption of a contract for services between the Sun Valley Air Service Board and Fly Sun Valley Alliance for air service development including maintaining and expanding commercial air service to the local area through the use of Minimum Revenue Guarantees or other inducements to providers and ancillary costs which are associated with the ongoing effort to maintain and expand commercial air service;19

NEW BUSINESS/REPORTS

5. Authorization of payment of bills on-hand through February 22, 2018;42

ADJOURNMENT

Please Note: The agenda is subject to revisions. Any person in need of assistance to attend or participate should contact Hailey City Hall prior to the meeting at 788-4221. Air Service Board Packets are online at www.haileycityhall.org; www.sunvalley.govoffice.com; and www.ketchumidaho.org.

**Sun Valley Air Service Board
Meeting Minutes
January 31, 2018
Hailey City Hall Meeting Room 2 pm**

Present: Peter Hendricks – Mayor, City of Sun Valley
Fritz Haemmerle – Mayor, City of Hailey
Neil Bradshaw – Mayor, City of Ketchum

Absent: Larry Schoen – Blaine County Commissioner

Staff Present: Sun Valley – Susan Robertson
Hailey – Heather Dawson

CALL TO ORDER

[2:01:06 PM](#) Call to order by Hailey Mayor Fritz Haemmerle.

ROLL CALL

Peter Hendricks, Neil Bradshaw new Ketchum Mayor, and Fritz Haemmerle

ELECTION OF CHAIR:

[2:02:00 PM](#) **Hendricks moves to nominate Haemmerle to Chair Hendricks as Vice-Chair and Bradshaw as Treasurer, seconded by Bradshaw, motion passed unanimously.**

PUBLIC COMMENTS

No public Comments.

REMARKS FROM CHAIR

None.

REMARKS FROM BOARD

[2:02:35 PM](#) Neil Bradshaw

CONSENT AGENDA:

[2:03:20 PM](#) **Motion to approve minutes from Dec. 6, 2017 and approve October and November 2017 LOT reports made by Hendricks and seconded by Haemmerle. Motion passed with Bradshaw abstaining.**

PRESENTATIONS:

Sun Valley Air Service Board Minutes
January 31, 2018

[2:04:25 PM](#) Dennis Brown presents audited statements, unmodified report for benefit of new Ketchum Mayor, he explains the delay in receiving the financial statements, lag time. There is a \$115,000 carryover reserve, which is a bit misleading, because by the time we pay the full contracts, more money will come in, 2 more months. Last year we received \$275,000 more than anticipated.

Brown will take any questions from the board.

[2:06:43 PM](#) Haemmerle asks on pg. 2 of the auditor's report, under the "other matters" section, the Management discussion and analysis has been omitted. Brown replies, analysis prepared management discussion and put that in later if you wish. The cities generally do prepare a statement/analysis, this is not critical to Brown's opinion.

No other questions of Brown.

[2:08:54 PM](#) Hendricks asks his fee, Susan Robertson, replied \$1,000.

Presentation by Sun Valley Alliance, Carol Waller:

[2:09:26 PM](#) Fly Sun Valley Alliance semi-annual report by Carol Waller. FY18 progress report presented by Waller. Waller shows expanded air service map and reviews highlights of nonstop flights: Chicago, Denver, Portland & San Francisco. New airline - United and new aircraft CRJ700, E175. 56% of seats filled, 68% of enplanements, longer seasons. Improved Alaska reliability with approach radar installed last year. Success from 2013-2017 showing the growth since inception. Sun Valley air service over time in the past there were many flights and smaller planes, now larger planes and fewer flights. Waller shows results from air passenger surveys, majority are visitors and part-time residents. Then shows breakdown on who is on each flight, % full-time residents, part-time residents, vacationers, by departure city. Economic impact – LOT, general growth in LOT shows 34% growth in revenue for LOT. Majority of visitors are coming for leisure, recreation and events. 30% of full-time residents are traveling for business. Less than half of visitors stay in lodging here. Waller then reviews leakage overview of all visitors, who traveled by air, about 30% use Boise.

[2:19:34 PM](#) Bradshaw asks what is important about this leakage slide. Waller, we want to ultimately reduce the leakage to Boise, we'd like this number to be lower. How can we change some factors and reduce leakage to Boise? Bradshaw asks. Waller, competitive fares.

[2:20:43 PM](#) Hendricks, don't know if this is decreasing or increasing. Waller, correct we don't know, this is Sun Valley Resort data.

[2:21:14 PM](#) Waller, ski resort air service comparison - the resort competition remains strong for Sun Valley.

FY18 strategic goals include, [2:21:54 PM](#) retain nonstop flights, increase frequency in flights between SLC. Conduct surveys, expand surveys to 12 months. And continue to do analysis on economic impact.

[2:23:07 PM](#) Hendricks, explain support efforts for Delta/SLC and flight frequency. Waller responds, these are ongoing conversations with airlines. Consultants primarily have those conversations with airlines.

Winter update, new Chicago O'Hare nonstop weekly flight. Holiday flights are strong, having fewer diversions this winter, half so far, partly due to less snowfall and frequency, enhanced communications with passengers and others, watch video on bus.

Summer 2018 [2:26:05 PM](#) finalizing schedule for summer, Delta will have 3 flights daily beginning in June. Peak winter and summer seasons.

[2:26:54 PM](#) Bradshaw asked what is different? Waller, the added flight typically is stopped in sept, now it will continue through December.

Thanks to FSVA service partners, we have great partnerships with businesses and Sun Valley Resort.

[2:28:15 PM](#) Haemmerle asked question, would nonstop flights have been possible without the MRGs. Waller replied no.

[2:29:00 PM](#) Bradshaw asks, the extra flight for 3 more months? Waller, Delta just came out with the schedule.

[2:29:55 PM](#) Dick Fenton speaks, flight frequency changes with demands.

[2:30:38 PM](#) Haemmerle, have flights from Twin Falls increased also? Waller yes, they have 3 flights a day, a 50-passenger plane, a larger aircraft, that cannot service our airport.

[2:31:20 PM](#) Hendricks, people are coming here because of the collective pass. The new IKON pass, he noticed that Sun Valley is not on that list, nor on the first year's collective pass. This is not good news, what is ramification, fewer enplanements.

[2:32:34 PM](#) Haemmerle IKON pass what is it? 13 resorts, new entity KSL and crown family. Hendricks IKON, can buy it now. Waller asks Tim Silva to respond to that question.

[2:33:52 PM](#) Silva speaks, Mountain Collective will exist for 2018-2019 year and goes on sale in March. This is an exciting product, success with collective pass will continue through 2019. Silva poses a question, do we want to associate this resort with any mass marketing effort, it is something we should weigh very very carefully - you need to ask yourself this question.

Sun Valley Air Service Board Minutes
January 31, 2018

[2:35:21 PM](#) Haemmerle, why wouldn't Sun Valley be involved IKON? Silva responds, Mountain Collective is working well to drive business and how it affects volume, being careful about who we associate with it a good approach.

Presentation by Sun Valley Marketing Alliance (SVMA), Scott Fortner:

[2:36:28 PM](#) Fortner displays Inspirational quotes used in marketing at different times of the year. Fortner then shows video and explains, it shows all the things one can do in the valley. We've seen more engagement from this video than in the past.

Fly markets to our sites - LA, New York, Hailey, travelers who are booking air, our advertising is driving searches to Sun Valley, we've seen 20% increase in website visits, avg. of 15,000 monthly searches. Instagram and Facebook posts - 2 media sources used. Lots of interest from LA, and Seattle is one of our larger markets. We are seeing higher search interest, which is exciting.

[2:41:49 PM](#) SVMA has revamped "how to get here" website. It has been totally redone, cost benefit analysis, 3x the visitation and more time spent on this page. The challenge is the conversion component.

[2:43:05 PM](#) Analysis of paid markets, we looked at all markets, what are all opportunities, each market is drastically different. We need to refine our market share. Portland market is new, need to keep chipping away at this, from a new market you see mostly new visitors, not regular/repeat visitors. Conclusions, mix in each market is multifold.

[2:45:44 PM](#) Markets are different, Bradshaw asks what do I need to know? Fortner replies, use San Francisco as example, we are not paying MRGs from there in the summer time, the load factors are high, in winter – different load factors are low and we have to change things around in that market and competitiveness is a component too.

[2:46:44 PM](#) Opportunities for improvement, we can't improve the weather. Can work on conversion path to purchase. Only 3 hotel properties have info on flights to town. We need to continue to work on this, have businesses add information on their websites, create partnerships.

Next steps, we don't have central reservation system [2:48:33 PM](#) air service desk concept, communicate with guest and suggest we look into this model.

Local lodging website, top sites are kayak and air watch dog and google [2:49:39 PM](#) online travel agent, paid search, Fortner will look into this. Need to better understand path to purchase, leveraging airline partnerships. 35-40% return guests book directly to the destination.

[2:52:15 PM](#) Bradshaw asks a question. Fortner responds. Conversation today with ski.com, working with Denver, Vail, able to pull all info, air, ground transportation and pull it all together – everything you need to travel to a destination. Fortner thinks this will drive more visitors. [2:53:38 PM](#) Bradshaw, is that a risk? Fortner, sometimes we need this option. It is hard to find direct flights through kayak.

[2:55:26 PM](#) Haemmerle asks a question, when he does a Google search, then he notices that destination flashes pictures of interest, is that what you do? Fortner, yes our people do this. Haemmerle, this marketing works. Industry standard is 5 to 12 times. We hit them 5 times before moving on.

[2:57:38 PM](#) Hendricks, asks how you got involved in the Mountain Travel Symposium, Fortner, this group comes together once a year at a mountain west destination. Part of the process is a forum discussing challenges and resort marketing. Breckenridge hosted it 2 years ago, Banff last year, he mentioned having Sun Valley hosting it, and hope to get an agreement for 20-21 year, 1,200 people would come here. They liked the good cooperation between the lodging and community - everyone working together. We would get to host high level wholesalers in industry, helps transportation process in the state. Hendricks was excited to attend those meetings, and good to know we are always reaching out to other destinations.

[3:02:00 PM](#) Hendricks, is it reluctance? Fortner is not sure if it is reluctance or focus. Met with lodging folks, all willing to help, trying to contact those marketing contacts associated with the lodging to place links on their websites.

EXECUTIVE SESSION:

[3:03:58 PM](#) **Motion to go into Executive Session pursuant to Idaho Code 74-206(1)(d) and 74 -206(1)(e) to consider preliminary negotiations, made by Hendricks, seconded by Bradshaw, passed with roll call vote. Hendricks, yes. Haemmerle, yes. Bradshaw, yes.**

[3:28:11 PM](#) Board came out of executive session and reconvened the meeting.

NEW BUSINESS/REPORTS:

Item 6 & 10

[3:28:31 PM](#) 6 – Robertson explains that following the audit, we reconcile how receipts accrued in the preceding year and determines voting rights for the next year. **Hendricks moves to accept recommendations on voting rights, seconded by Bradshaw, Hendricks asks what percentage control amount is Ketchum, Robertson replies, 66.6% is Ketchum. Motion passed with roll call vote. Bradshaw, yes. Hendricks, yes. Haemmerle, yes.**

[3:29:57 PM](#) Bills on hand, page 78 packet, \$299,910.82, [3:30:16 PM](#) **Bradshaw moves to approve bills on hand, Hendricks seconds, passed with roll call vote. Hendricks, yes. Bradshaw, yes. Haemmerle, yes.**

Robertson will set up future meeting date to continue discussion of items.

[3:30:41 PM](#) **Motion to adjourn made by Hendricks, seconded by Bradshaw. Motion passed unanimously.**

Fritz Haemmerle, Chairman

ATTEST:

Neil Bradshaw, Secretary/Treasurer

Memo

To: Sun Valley Air Service Board

From: Susan E. Robertson, ICMA-CM
City Administrator, City of Sun Valley

Date: December 1, 2017

Re: Discussion re Sun Valley Air Service Board Member Communities' Determination of Administrative Costs

At the last Sun Valley Air Service Board meeting, the Board indicated that it wanted to review how member communities determined the administrative costs they deduct from the 1% Local Option Tax (LOT) proceeds before they are sent to the Sun Valley Air Service Board. I have contacted each community and a description of what they do follows. I have also included the Joint Powers Agreement establishing the Sun Valley Air Service Board in your packet and highlighted the section on page 4 that deals with communities' administrative costs to aid in your discussion.

City of Hailey

The City of Hailey has tracked its time spent on collecting, reconciling, and reporting the 1% aspect of their LOT through a project management software module. It averages out to be 2.8%, which they deduct from their payments to the Sun Valley Air Service Board. When the FY 18 Budget was developed, the total amount of the cost was estimated at \$2,240. Hailey receives LOT payments from approximately 33 entities.

City of Ketchum

The City of Ketchum assigns a pro-rata share of total LOT collection costs to its 1% LOT fund. Since inception of the 1% LOT, it has accounted for 47% of total Ketchum LOT collections (in the just closed FY 17, it was \$2,031,295 of \$4,314,694). So, 47% of their total LOT collection costs are assigned to that fund and deducted before the proceeds are sent to the Sun Valley Air Service Board.

The amount to be deducted in FY 18 for the collection costs is the same as for FY 17. In FY 17, Ketchum's total cost of collecting its LOT was budgeted at approximately \$141,005, which included \$2,500 of materials/supplies cost with the remainder personnel costs. The personnel involved include the Business License and Tax Specialist as well as portions of a Community Service Officer (for enforcement purposes) and the Treasurer. The Business License and Tax

Specialist is the bulk of the cost at approximately \$97,000 in total compensation (salary and benefits). Taking the \$141,005 in total LOT collection costs and assigning 47% to those costs results in a deduction of \$66,272 for Ketchum's collection costs. Ketchum receives LOT payments from approximately 700 businesses.

City of Sun Valley

The City of Sun Valley reviews the amount of time spent on collecting and administering the 1% LOT each year. The City Administrator, Finance Manager/Treasurer, City Clerk, and Assistant City Clerk/Assistant Treasurer positions are involved with the 1% LOT collection and administration. Based on the time each position spends, a pro-rata portion of their salary and benefits costs along with a small amount of related office supply expenses (\$35 in FY 18) is determined. In FY 18, the cost that will be deducted from the Sun Valley's 1% LOT receipts will be \$646.70/month for a total of \$7,760.42. Sun Valley receives LOT payments from approximately 614 business.

**JOINT POWERS AGREEMENT ESTABLISHING
THE SUN VALLEY AIR SERVICE BOARD
TO RETAIN, IMPROVE AND DEVELOP COMMERCIAL AIR TRANSPORTATION
SERVICES AT FRIEDMAN MEMORIAL AIRPORT**

November, 2013

This Agreement ("Agreement"), made and entered into on November 16, 2013, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), (collectively known as "Cities"), and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties;"

WITNESSETH:

WHEREAS, the Friedman Memorial Airport Authority ("FMAA"), of which Hailey and Blaine County are members, operates the Friedman Memorial Airport (the "Airport"), and over the past six years commercial enplanements have decreased to the Airport; and

WHEREAS, the Parties recognize both year-round tourism and commerce are primary contributors to the economic base of Blaine County and its Cities; and

WHEREAS, air service to the Airport is critical for such year-round tourism and commerce; and

WHEREAS, each of the respective City Councils of the Cities of Ketchum, Sun Valley, and Hailey have either: (i) voted in properly noticed public meetings to place before their respective voters on the November 5, 2013, ballot, the question of a 1% Local Option Tax ("LOT") (the "Ballot Questions") to fund retention, improvement and development of commercial air transportation services to the Airport, or (ii) previously received voter approval on the Ballot Questions; and

WHEREAS, an opinion from the Office of the Attorney General dated March 12, 2012, to Representative Wendy Jaquet (the "AG Opinion"), indicates that general authority exists under Idaho Code Section 67-2328 for cities and counties to enter into a joint powers agreement to provide for agreements for air service, including minimum revenue guarantees ("MRG's"); and

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRG's and promotion of commercial air service to increase seats and enplanements to the Airport; and

WHEREAS, this Agreement will create the separate legal entity described below, the Sun Valley Air Service Board (the "Board"), which will contract with one or more parties, pursuant to Contracts for Services as described herein, to discharge the Board's duties and responsibilities described in the Ballot Questions; and

WHEREAS, each of the Parties has made findings regarding the need for this Agreement to satisfy the duties and responsibilities described in the Ballot Questions; and

WHEREAS, the City Parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code Sections 50-321, 50-322, 21-110, 21-401 and related statutes to undertake the responsibilities contemplated by the Ballot Questions; and

WHEREAS, the County, pursuant to Idaho Code Sections 31-110, 21-876 and related statutes, in coordination with Hailey, provides for the operation of the Airport through the FMAA and the County as a Party to this Agreement may assist in discharging the duties contemplated by the Ballot Questions; and

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code Sections 67-2328, *et seq.*, and Idaho Code Section 21-403, to create and maintain the Authority to discharge the duties and responsibilities set forth in the Ballot Questions;

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual term, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. **Establishment of Separate Legal Entity; Governance.** The Parties hereto hereby establish the Sun Valley Air Service Board (“Board”) as a separate legal entity and delegate each Party’s respective power to the Board to oversee and administer the joint undertakings contemplated herein. Parties will join and become members of the Board upon execution of this Agreement by their respective governing body.
2. **Board Membership.** The representatives of the Parties who shall be members of the Board shall be configured as described below:
 - A. One (1) member from the City of Ketchum, one (1) member from the City of Sun Valley and one (1) member from the City of Hailey shall be respectively appointed by the Mayors of Ketchum, Sun Valley and Hailey with the consent and approval of the City Council of each city.
 - B. One (1) member from Blaine County shall be appointed by the Board of County Commissioners.
 - C. Each of the Parties shall establish its own Board member qualification criteria subject to subparagraph E.
 - D. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Board has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Board.

E. Members of the Board shall be appointed without respect to political affiliation or religious denomination. Any person over the age of eighteen (18) may be eligible for appointment.

F. Members of the Board shall serve without compensation.

3. Board Member Voting Power & Voting Majority.

A. City Parties shall retain 90% of the voting rights and voting rights shall be allocated among all Board members based on their respective annual 1% LOT contributions to the Board. The initial allocation of these voting rights shall be determined using each City Party's year ending September 30, 2013, total fiscal year actual LOT revenue collection on taxable sales described in the Ballot Questions. Each year thereafter, the voting percentages shall be revised as necessary to reflect each City Party's year ending September 30 actual 1% LOT revenue contributions to the Board.

B. Blaine County shall not have a vote as a member of the Board, except in the instance described herein. In recognition that Friedman Memorial Airport is jointly owned by the City of Hailey and Blaine County, 10% of the voting rights of the Board members will be allocated to the Board member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 10% shall be allocated to the Board member appointed by Blaine County.

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

4. Term of Office. The term of office on said Board shall be for the following initial terms:

- 1 member from Ketchum for one (1) year
- 1 member from Sun Valley for one (1) year
- 1 member from Hailey for one (1) year
- 1 member from Blaine County for one (1) year

Subsequent appointments shall be for one (1) year and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms or removal shall be filled for the remainder of the term by the Party that appointed the board member. Removal of any member may only be made by the Party that appointed such board member.

5. Organization Bylaws. The Board shall be governed by the Bylaws specifying the procedural method and manner by which it shall conduct its business and affairs, provided, however, that said Bylaws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Board to act. The Bylaws shall provide, among other items, that a majority of the members of the Board shall constitute a quorum. A non-voting member is not a member for quorum purposes.

6. Purposes and Powers. The purpose of the Board is to establish, implement, maintain and fund a program to retain, improve and develop commercial air service to Friedman Memorial Airport. In furtherance of that purpose, the Parties hereto hereby delegate to the Board their power to carry out the duties as described and contemplated by the Ballot Questions, including entering into Contracts for Services with such entities as the Board may select, subject to the specific LOT allocations of the City Parties. It is anticipated that the Board will have no employees and that, except for the holding, distribution and oversight of the monetary contributions and entering into Contracts for Services, the Board will have a very limited scope of operation. Such delegated powers shall more specifically include, but not be limited to, the following:

- A. The Board, as allowed under state and federal statutes, may apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;
- B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, personal property, including money, necessary to carry out the purposes of the Board and to invest and hold such money until distributed for the purposes contemplated by the Ballot Questions;
- C. To fund administrative costs, if any, to carry out the purposes of the Board;
- D. To contract with public or private agencies, companies or entities to retain, improve and develop commercial air transportation services to Friedman Memorial Airport, including contracting with third parties pursuant to Contracts for Services;

7. Manner of Financing. The Board shall annually adopt a budget. Subject to the provisions herein, each City Party hereto will annually budget and contribute monthly to the Board the money collected pursuant to their respective Ballot Question, **less their direct costs to collect and enforce the tax, including administrative and legal fees**; each City has the option to direct its monetary contribution to those purposes it specifically directs as allowed by the Ballot Questions, except for contributions to cover a pro-rata share of administrative expenses, if any, of the Board; provided, however, in the event of any litigation or other challenges to the Ballot Questions, this Agreement, the Board, or any related matters, each City shall contribute a pro-rata share of its contribution to defray any expenses related thereto. During each fiscal year, the City Parties shall contribute monthly to the Board their respective amount of money collected,

less their direct costs to collect and enforce the tax, including administrative and legal fees, subject to allocations approved by each City Party's governing board.

- A. In adopting the annual budget, each City Party must contribute the money collected pursuant to its respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees. The County, in its discretion, may contribute funds to the Board; it is anticipated that the County will continue its historical support for the Airport.
- B. Any entity may contribute additional funds to the Board. It is anticipated that Sun Valley Company will fund fifty percent (50%) of any MRG expenses and will provide marketing support for the air service in collaboration with the airlines and other community marketing efforts.
- C. Any funds received by the Board shall be used for payments to entities pursuant to the Contract for Services, as contemplated by the Ballot Questions, for the purposes authorized therein. The budgeting, allocation and use of said funds by the Board shall be in accordance with the purposes and powers herein provided for, and in no event shall the Board use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Board by the Parties. All specific allocations of LOT proceeds by a City Party shall be followed by the Board in its budget and actual spending.
- D. An annual audit or similar financial review shall be conducted consistent with Idaho statutory requirements.
- E. So as to minimize Board expenses, all City Parties may agree to share in the administrative tasks of the Board through pro-rata contribution of their City staff time to perform such tasks.

8. Contracts for Services. The initial Contracts for Services with entity(ies) selected by the Board shall be entered into as soon as practicable following the appointment of the Board Members and passage of the Ballot Questions. Each year thereafter, the Board shall enter into similar contracts with such entities as the Board may select. The Contracts for Services shall (i) set forth those specific services which are to be provided consistent with the Ballot Questions, (ii) provide for detailed reporting to the Board and, as appropriate directly to the Parties, of how funds were spent in sufficient detail to demonstrate compliance with constitutional and statutory guidelines as reflected in the AG Opinion; (iii) include performance metrics consistent with expectations for the work to be performed. A Contract for Services may be for more than one year, but must explicitly state that annual funding is subject to annual appropriations which meet the Cities' statutory limitations.

9. Duration. The duration of the Board created by this Agreement shall be for a period of at least five and one-half years; provided, however, that the same may be extended for an additional period of time, as the Parties hereto deem appropriate in order to expend the monies and satisfy the purposes set forth in the Ballot Questions. Any such extension of this Agreement shall be in writing, adopted by the governing body of each of the Parties hereto.

No Party may withdraw from the Agreement, except that any City Party that has failed to pass its Ballot Question shall be deemed to have withdrawn from this Agreement once such election results have been certified. Should fewer than two City Parties pass a Ballot Question, this Agreement shall be terminated.

10. Dissolution of the Board. Parties, upon the dissolution of the Board created by this Agreement or any extension or renewal thereof, for whatever reason, may agree to (1) distribute the personal property owned by the Board among themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each; or (2) to sell the property in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided among the Parties hereto in proportion equal to the annual operating contributions of each to the Board since its inception.

11. Mediation. Any controversy or claim arising out of or relating to this Agreement or breach thereof, shall be submitted to non-binding mediation upon the written request of any Party and conducted by one (1) neutral mediator. If the Parties are unable to select a mediator, then selection shall follow the procedure published by the American Arbitration Association Commercial Mediation Rules. Mediation shall be held in Blaine County. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of Idaho. Each party shall bear its own costs and the parties shall split equally the cost and expenses of the mediator.

12. Execution and Effect. Upon execution of this Agreement by the Parties, this Agreement shall be effective. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

13. Amendment. This Agreement may only be amended upon the unanimous approval of the voting Parties, and only as would be not inconsistent with the Ballot Questions.

[Signatures Appear on Following Pages]

As of the date hereof, the Parties hereto have caused this Agreement to be executed by the duly-authorized representatives this 5th day of September, 2013.

CITY OF KETCHUM

By: [Signature]
Mayor

Date: 5/09/13

ATTEST:

[Signature: Sandra E. Cady]
City Clerk



CITY OF SUN VALLEY

By: Raymond J. Brown
Mayor

Date: 8/28/13

ATTEST:

Hy Grant
City Clerk

CITY OF HAILEY

By: *Alex. Heavil*
Mayor

Date: 8/27/13

ATTEST:

[Signature]
City Clerk



BLAINE COUNTY COMMISSIONERS

By: Amy McCarty

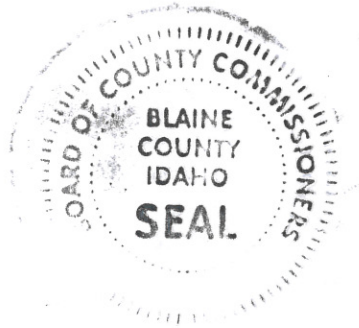
Date: 10/1/13

By: [Signature]

Date: 10/1/2013

By: [Signature]

Date: 10.1.13



ATTEST:

[Signature]

SUN VALLEY
AIR SERVICE BOARD

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

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this ~~7th-31st~~ day of ~~December 2015~~January 2018, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and the Fly Sun Valley Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c) (6) designation, (hereinafter referred to as "FSVA").

RECITALS

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

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

2. FSVA is an Idaho non-profit corporation with an IRC 501(c)(6) designation engaged in the business of commercial air service development for the Sun Valley, Idaho area ~~domestically marketing the Sun Valley, Idaho resort area as a destination resort~~ as further described in **Exhibit "A"**.

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

4. The following ordinances have been adopted by certain Component Members (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees ("MRG's") or other inducements to providers; b) promoting and marketing the existing service and any future service to increase passengers; c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to

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flight diversion(s); and d) direct costs to collect and enforce the tax, including administrative and legal fees:

- a. Sun Valley Ordinance No. 45G.
- b. Ketchum Ordinance No. 1108.
- c. Hailey Ordinance No. 1133.

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

6. FSVA's mission is to retain, develop and improve air service to the Friedman Memorial Airport (SUN) in Blaine County.

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

8. It is the intention of the ASB to contract with FSVA to provide such services for consideration as hereinafter provided, subject to the tracking and reporting requirements described herein.

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

10. ASB and FSVA intend to dedicate local option taxes to the payment of Air Service Contract Costs, defined as: 1) MRG's, 2) bussing costs for airline passengers due to weather related flight diversions, 3) Letter of Credit fees and 4) any applicable airline start-up costs ("Air Service Contract Costs"), as well as other air service development efforts as outlined in Exhibit A. ~~Sun Valley FSVA Company~~ has entered into ~~one seasonal contracts~~ with commercial airlines ~~United Airlines (providing air service to and from San Francisco and Denver) and one annual contact with Alaska Airlines (providing service to and from Los Angeles and Seattle)~~ which require the payment of Air Service Contract Costs. The contracts between ~~Sun Valley Company and United Airlines and Alaska Airlines~~ FSVA and the airlines contain confidentiality provisions.

~~10-11.~~ FSVA and Sun Valley Company have agreed that ~~FSVA Sun Valley Company~~ shall pay all of the Air Service Contract Costs under the airline contracts ~~with funds from ASB with United Airlines and Alaska Airlines~~ but will be reimbursed by ~~FSVA Sun Valley Company (SVC) in an amount not to exceed One Million One Hundred Eighty Five Thousand and no/100's Dollars (\$1,185,000) for~~ in the amount of 50% of the Air Service Contract Costs, from funds received by FSVA from ASB. A portion of the reimbursement to FSVA from SVC for certain Air Service Contract Costs may be provided in contributions of products that provide an equivalent cash value. FSVA will use ASB funds to pay 100% of the annual fixed cost for Enhanced diversion bussing services (including upgraded equipment, on

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call drivers and airport hosts), which are provided for all airlines at Friedman Memorial Airport during the winter.

11.12. ASB and FSVA intend to honor the confidentiality provisions in the airline United Airlines and Alaska Airlines contracts but verify the costs amount of the MRG's and bussing expenses by examining the invoices for Air Service Contract Costs in executive session.

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

1. All Recitals above are incorporated herein by reference.
2. Services. FSVA agrees to make its dedicated professional best efforts work toward retaining, developing and improvinge air service consisting of by securing and management managing air service into Friedman Memorial Airport; providing other air service support; pursuing new and/or expanded air service; and other air service development related tasks ("Air Service Development") as more particularly set forth in **Exhibit "A"**, which is incorporated herein by reference, and to pay no more than 50% of the Air Service Contract Costs.
3. Expenses. FSVA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.
4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate September 30, 20162018. This Contract shall be automatically extended for one (1) year terms, unless notice is provided as set forth herein. Such notice shall be served not less than sixty (60) days prior to the expiration of any annual term. This Contract may be amended to increase the length of the term if so determined by the parties.
5. Consideration.

————Air Service Contract Costs and Air Service Development Reimbursement.
During the term of this Contract, ASB shall pay FSVA, as reimbursement for Air Service Contract Costs and as payment for Air Service Development, a maximum sum not to exceed the total "Fly SV Alliance Contract Expenses" for Services amount as identified on the schedule attached hereto as **Exhibit "B"** One Million Three Hundred Thousand Dollars and no/100's Dollars (\$1,300,000), for the present fiscal year ending September 30, 2016-2018 ("FY 186"), payable on a monthly basis. The maximum payment for Air Service

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~~Contract Costs shall not exceed One Million One Hundred Eighty Five Thousand and no/100's Dollars (\$1,185,000), while the maximum payment for Air Service Development shall not exceed One Hundred Fifteen Thousand and no/100's Dollars (\$115,000).~~ Each monthly payment shall be calculated by multiplying the percentage under "% of Available Funds" for FSVA as set forth in the Payment Schedule ~~attached hereto as in~~ Exhibit "B" by the actual amount of local option taxes received by the ASB, less direct costs, administrative expenses, and fund balance, which is ~~described~~ designated as "Funds Available for Contracts", ~~as depicted in the Payment Schedule attached hereto as in~~ Exhibit "B". In the event the monthly payments derived during FY ~~186~~ would exceed the "Fly SV Alliance Contract Expenses" amount in Exhibit "B" ~~the contract amount in Exhibit B \$1,300,000~~, the last monthly payment(s) shall be reduced to ensure only a payment of the contract amount in Exhibit B \$1,300,000. In the event the monthly payments derived during FY ~~186~~ are less than the contract amount in Exhibit B \$1,300,000, FSVA shall not be entitled to the difference between the total of the monthly payments and the contract amount in Exhibit B \$1,300,000. The Payment Schedule for each subsequent fiscal year may be amended by the parties as part of that fiscal year's budget process.

A.

B. FSVA shall ~~reimburse~~ maintain ~~enter into~~ a contract with ~~Sun Valley Company~~ SVC wherein SVC shall reimburse FSVA for 50% of Air Service Contract Costs. Said reimbursements shall include a cash payment for 50% of MRG cost, and other contributions for at least 50% of other Air Service Contract Costs. ~~A.~~ for Air Service Contract Costs a maximum of 50% of the actual payment for MRG's, 75% of the actual payment for bussing and 50% of any applicable start up costs required under each of the United and Alaska Airlines contracts described in Recital 10, above. The Payment Schedule for each subsequent fiscal year may be amended by the parties as part of that fiscal year's budget process.

B.C. Limitation of Funds. Funds paid by ASB to FSVA shall only be used for the purposes set forth in this Contract, and for no other purpose. The annual FSVA ASB contract budget is outlined on the spread sheet attached hereto as Exhibit "C". In the event FSVA pays ~~Sun Valley Company~~ pursuant to the contracts described in Recital 10, above, less than the "Total FSVA Contract Amount" identified in Exhibit "C", ~~the maximum amount of One Million One Hundred Eighty Five Thousand Dollars (\$1,185,000) described in Paragraph 5(A), above,~~

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~~the~~ difference may be retained by FSVA as reserves but such amount shall only be used for ~~reimbursement payment of~~ future Air Service Contract Costs, if approved by ASB, under other airline contracts, subject to the same limitations set forth in this Contract.

6. Reporting Requirements. In partial consideration ~~for, and as part of this Contract~~, FSVA agrees to provide to the ASB:
- A. Written and in-person presentations and reports in January and July during the term of this Contract or as otherwise scheduled by the parties outlining program results and plans for the upcoming season and explaining annual performance based on the metrics specified in attached **Exhibit "A"**. Semi-annual reports will be based on the government fiscal year of October 1st to September 30th.
 - B. The ASB has at all times the right to request an independent audit, at the sole cost of FSVA, under the provisions herein, and such audit obligation and cost on the part of FSVA shall survive any termination.
 - C. The ASB may request additional financial information it deems necessary or appropriate to assist the ASB in verifying the accuracy of the FSVA's financial records, and within a reasonable time period, FSVA shall submit such information or reports relating to its activities under this Contract to ASB in such form and at such time as ASB may reasonably require. Any duly authorized agents of the ASB shall be entitled to inspect and audit all books and records of FSVA for compliance with the terms of this Contract. Any record provided hereunder which would be covered by the confidentiality provisions described in Recital 11, above, shall not be disclosed unless ordered by a court of competent jurisdiction or unless consent is provided by the Sun Valley Company and the relevant airline. FSVA agrees to retain all financial records, supporting documents, statistical reports, contracts, minutes, correspondence, and all other accounting records or written materials pertaining to this Contract for three (3) years following the expiration or termination of this Contract.
 - D. Invoices and supporting documents from ~~United Airlines and Alaska Airlines~~ airlines for the Air Service Contract Costs to be paid by FSVA, and documentation of reimbursement of 50% of Air Service Contract Costs by SVC to FSVA-Sun Valley Company. ~~Submittal of such invoices and documents is a condition precedent to the payment of the amount by FSVA to Sun Valley~~

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~~Company under Paragraph 5(A), above.~~ Such invoices and supporting documentation shall be presented to the ASB by FSVA in executive session.

7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to FSVA with or without cause. The ASB recognizes that the FSVA has made significant financial commitments (*e.g.*, vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to FSVA under this Contract at the end of the 90-day period.
8. Equal Employment Opportunity. FSVA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.
9. Independent Contractor Status. The parties acknowledge and agree that FSVA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. FSVA shall create, direct and control its own means and methods of performing this Contract. FSVA and its agents, members, employees and volunteers shall not accrue leave, retirement, insurance, bonding or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by FSVA in a competent, efficient and satisfactory manner.
10. Hold Harmless Agreement. FSVA hereby covenants and agrees to indemnify, defend and hold the ASB and the Component Members, and their officials, officers, employees and agents harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of non-disclosure of information pursuant to Paragraph 6(D) of this Contract or by reason of any wrongful act or omission on the part of FSVA, its agents, employees, assigns or subcontractors, related to damages or bodily injury, property damage and personal injury that arise out of FSVA's actions or omissions associated with the services or obligations described in this Contract. FSVA shall have the duty to appear and defend any such demand, claim, suit or action on behalf of ASB and the Component Members, or tender the defense without cost or expense to ASB and the Component Members.
11. Non-Assignment. This Contract may not be assigned by or transferred by FSVA, in whole or in part, without the prior written consent of the ASB.
12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the

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scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of any such dispute in Blaine County, Idaho. If mediation is unsuccessful, then the dispute, shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.

13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract nor are any public funds committed beyond the current fiscal year. The terms of this Contract ~~are~~are contingent upon sufficient appropriations being made each fiscal year by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by FSVA. ASB's decision as to whether sufficient appropriations are available shall be accepted by FSVA and shall be final. FSVA HAS NO RIGHT TO COMPEL COMPONENT MEMBERS TO LEVY OR COLLECT TAXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR. In the event that this provision conflicts with any other provision in the Agreement, this provision shall prevail.

15. Miscellaneous Provisions.
 - a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Contract or any of the provisions of the Contract.

 - b. Provisions Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

 - c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Contract are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

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- d. Successor and Assigns. This Contract and the terms and provisions ~~hereof~~ herein shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.
- e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.
- f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.
- g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.
- h. No Waiver. No waiver of any breach by either party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.
- i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the parties.
- j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:
 - a. ASB: P.O. Box 3801, Ketchum, Idaho 83340
 - b. FSVA: P.O. Box 6316, Ketchum, Idaho 83340
- k. Fiscal Year. For the purpose of this Contract, the fiscal year is considered a government fiscal year between October 1 and September 30 of the following year.
- l. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.

**SUN VALLEY
AIR SERVICE BOARD**

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

Signatures:

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



MISSION

FY18

Retain, develop and improve air service at Friedman Memorial Airport (SUN).

ORGANIZATIONAL STRUCTURE

Fly Sun Valley Alliance (FSVA) is an Idaho non-profit 501c(6) corporation with both private and public sector volunteer board members representing governments, organizations and businesses throughout Blaine County.

SCOPE OF WORK

AIR SERVICE DEVELOPMENT

Secure & Manage Contract Air Service: Currently Alaska (SEA/LAX/PDX) flights; United (SFO/DEN/ORD) flights

- Negotiate air service contract terms with airlines, in partnership with Sun Valley Company:
 - Operating season, schedules, equipment
 - MRG cap amount; analysis of cost per flight & projected revenues
 - LOC requirements; Weather diversion busing provisions
- Monitor bookings on weekly basis; cost & revenue monthly
- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare and schedule adjustment discussions with airline partners as needed
- Assist with coordination of air service market planning for SUN with other partners (SVMA, SVR, ITC, etc.)
- Support coordination of start-up effort for new service (as needed) – launch celebrations, marketing, etc.
- Organize/support enhanced weather diversion bussing program for all SUN commercial air travelers and airlines
- Coordinate with Friedman Memorial Airport in all aspects of air service planning/implementation

Manage & Support Non-Contract Air Service: Currently Delta for year-round SLC and limited LAX flights

- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare & schedule adjustment discussions with airline as appropriate
- Assist with coordination of air service marketing planning for SUN with other partners (SVMA, SVR, ITC, etc.)
- Organize/support enhanced weather diversion bussing program for all SUN commercial air travelers and airlines

RESEARCH

- Conduct air passenger survey research at SUN during winter & summer/fall seasons
- Conduct other market research on local air travel patterns – i.e., business travel survey
- Collect/analyze/report other research re: travel trends, demographics, economic impact
- Monitor monthly enplanement, seat occupancy, other air service data relative to SUN, industry & competitive set

COMMUNITY OUTREACH/EDUCATION - LOCAL AIR MARKETING

- Maintain FSVA website, www.flysunvalleyalliance.com, with information on SUN air service, news, studies, etc.
- Provide ongoing public outreach/communications via Enews, social media, meetings, presentations, other
- Create & implement local air service marketing/PR programs targeted to local and regional air travelers
- Assist with coordination of marketing of flights/fares sales, etc. with airlines and local/state partners

KEY PERFORMANCE METRICS

- **Retain/Expand Current Air Service:** Retain contracted nonstop SEA/LAX/SFO/DEN/PDX flights and support SLC flights; improve air service schedules/frequency as feasible.
- **New Air Service:** Pursue new nonstop flight market for FY18 (secured ORD winter flights) and future
- **Build SUN Passenger Traffic:** Work with airlines/marketing partners to increase load factors & minimize air service costs as feasible. Work with airlines on SUN fares and schedules to reduce air passenger leakage.
- **Research:** Conduct seasonal air passenger surveys at SUN; conduct competitive analysis, economic impact and other research as needed.

EXHIBIT B

APPROVED FY 2017 - 2018 PAYMENT SCHEDULE

1% LOT Generated	1% LOT Received					Communities' Direct Costs	LOT Funds from Communities	Air Service Board Administrative Expenses	Fund Balance Applied	Funds Available for Contracts	Fly SV Alliance Contract Expenses	% of Available Funds	SVMA Contract Expenses	% of Available Funds
		Sun Valley	Ketchum	Hailey	TOTAL									
								\$0	\$0	\$0	20%	\$0	80%	
Oct-17	Dec-17	\$22,806	\$165,740	\$8,748	\$197,294	\$6,407	\$190,887	-\$2,893	\$187,993	\$37,599	20%	\$150,395	80%	
Nov-17	Jan-18	\$17,339	\$121,309	\$3,917	\$142,565	\$6,276	\$136,289	-\$83	\$136,206	\$27,241	20%	\$108,965	80%	
Dec-17	Feb-18	\$59,627	\$118,703	\$3,917	\$182,246	\$6,276	\$175,971	-\$83	\$175,887	\$35,177	20%	\$140,710	80%	
Jan-18	Mar-18	\$37,553	\$273,546	\$5,870	\$316,969	\$6,329	\$310,640	-\$83	\$310,557	\$62,111	20%	\$248,445	80%	
Feb-18	Apr-18	\$45,407	\$176,491	\$10,496	\$232,394	\$6,455	\$225,939	-\$83	\$225,855	\$45,171	20%	\$180,684	80%	
Mar-18	May-18	\$38,945	\$195,238	\$8,440	\$242,622	\$6,399	\$236,223	-\$83	\$236,140	\$188,912	80%	\$47,228	20%	
Apr-18	Jun-18	\$16,779	\$172,511	\$7,720	\$197,010	\$6,379	\$190,631	-\$583	\$190,048	\$152,038	80%	\$38,010	20%	
May-18	Jul-18	\$19,234	\$101,602	\$4,122	\$124,958	\$6,281	\$118,677	-\$83	\$118,594	\$94,875	80%	\$23,719	20%	
Jun-18	Aug-18	\$42,954	\$104,634	\$3,608	\$151,196	\$6,267	\$144,929	-\$83	\$144,845	\$115,876	80%	\$28,969	20%	
Jul-18	Sep-18	\$99,066	\$164,815	\$7,206	\$271,087	\$6,365	\$264,722	-\$83	\$264,639	\$211,711	80%	\$52,928	20%	
Aug-18	Oct-18	\$81,694	\$232,389	\$15,430	\$329,513	\$6,589	\$322,923	-\$83	\$322,840	\$258,272	80%	\$64,568	20%	
Sep-18	Nov-18	\$36,987	\$226,023	\$13,683	\$276,693	\$6,542	\$270,151	-\$15,083	\$255,245	\$39,865	15%	\$215,380	85%	
		\$518,390	\$2,053,000	\$93,157	\$2,664,548	\$76,566	\$2,587,982	-\$19,310	\$0	\$2,568,849	\$1,268,849		\$1,300,000	

FSVA 1% LOT ASB CONTRACT BUDGET (FYE 9/30/18)

FSVA CONTRACT INCOME	FY18 1% LOT Budget
1% LOT Revenues/ASB Contract for Services	\$ 1,268,849
Interest	\$ 3,000
TOTAL INCOME	\$ 1,271,849
<i>*Contract for Services with Air Service Board</i>	
FSVA AIR SERVICE DEVELOPMENT EXPENSE	
Air Service Contract Costs <i>(Net FSVA for MRG/Busing/LOC - 50% cost share with Sun Valley Resort)</i>	\$ 1,138,849
Air Service Consulting Fees/Meetings <i>(Mead&Hunt consulting fees, airline meetings, etc)</i>	\$ 80,000
Local Air Service Marketing <i>(ads, EDM, website, etc)</i>	\$ 25,000
Research <i>(SUN air passenger surveys, other)</i>	\$ 25,000
TOTAL EXPENSE	\$ 1,268,849
Strategic Reserves (for future flights)	
TOTAL FSVA CONTRACT AMOUNT	\$ 1,268,849

SUN VALLEY
AIR SERVICE BOARD

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

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this 31st day of January 2018, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and the Fly Sun Valley Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c) (6) designation, (hereinafter referred to as "FSVA").

RECITALS

1. The ASB is a duly organized and existing Joint Powers Authority organized as a separate legal entity under Idaho Code §§ 67- 2328 *et seq.* The ASB is made up of the following entities (hereinafter referred to as "Component Members"):
 - a. The City of Sun Valley, Idaho
 - b. The City of Ketchum, Idaho
 - c. The City of Hailey, Idaho
 - d. Blaine County, Idaho [non-voting]

2. FSVA is an Idaho non-profit corporation with an IRC 501(c)(6) designation engaged in the business of commercial air service development for the Sun Valley, Idaho area as further described in **Exhibit "A"**.

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

4. The following ordinances have been adopted by certain Component Members (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees ("MRG's") or other inducements to providers; b) promoting and marketing the existing service and any future service to increase passengers; c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to flight diversion(s); and d) direct costs to collect and enforce the tax, including administrative and legal fees:

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- a. Sun Valley Ordinance No. 45G.
 - b. Ketchum Ordinance No. 1108.
 - c. Hailey Ordinance No. 1133.
5. The primary reason for the ASB to enter this Contract is to effectuate the purposes of the local option taxes and Component Member ordinances recited above.
6. FSVA's mission is to retain, develop and improve air service to the Friedman Memorial Airport (SUN) in Blaine County.
7. The organizational goals of FSVA are consistent with the purposes and findings of the ordinances recited above.
8. It is the intention of the ASB to contract with FSVA to provide such services for consideration as hereinafter provided, subject to the tracking and reporting requirements described herein.
9. FSVA desires to enter into a contract with the ASB to retain, develop and improve air service as hereinafter provided.
10. ASB and FSVA intend to dedicate local option taxes to the payment of Air Service Contract Costs, defined as; 1) MRG's, 2) bussing costs for airline passengers due to weather related flight diversions, 3) Letter of Credit fees and 4) any applicable airline start-up costs , as well as other air service development efforts as outlined in Exhibit AFSVA has entered into contracts with commercial airlines which require the payment of Air Service Contract Costs. The contracts between FSVA and the airlines contain confidentiality provisions.
11. FSVA and Sun Valley Company have agreed that FSVA shall pay all of the Air Service Contract Costs under the airline contracts with funds from ASB but will be reimbursed by Sun Valley Company (SVC) in the amount of 50% of the Air Service Contract Costs. A portion of the reimbursement to FSVA from SVC for certain Air Service Contract Costs may be provided in contributions of products that provide an equivalent cash value. FSVA will use ASB funds to pay 100% of the annual fixed cost for Enhanced diversion bussing services (including upgraded equipment, on call drivers and airport hosts), which are provided for all airlines at Friedman Memorial Airport during the winter.
12. ASB and FSVA intend to honor the confidentiality provisions in the airline contracts but verify the costs by examining the invoices for Air Service Contract Costs in executive session.

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

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1. All Recitals above are incorporated herein by reference.
2. Services. FSVA agrees to make its dedicated professional best efforts toward retaining, developing and improving air service by securing and managing air service into Friedman Memorial Airport; providing other air service support; pursuing new and/or expanded air service; and other air service development related tasks ("Air Service Development") as more particularly set forth in **Exhibit "A"**, which is incorporated herein by reference, and to pay 50% of the Air Service Contract Costs.
3. Expenses. FSVA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.
4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate September 30, 2018. This Contract shall be automatically extended for one (1) year terms, unless notice is provided as set forth herein. Such notice shall be served not less than sixty (60) days prior to the expiration of any annual term. This Contract may be amended to increase the length of the term if so determined by the parties.
5. Consideration.
 - A. Air Service Contract Costs and Air Service Development Reimbursement. During the term of this Contract, ASB shall pay FSVA, as reimbursement for Air Service Contract Costs and as payment for Air Service Development, a maximum sum not to exceed the total "Fly SV Alliance Contract Expenses" as identified in the schedule attached hereto as **Exhibit "B"** for the present fiscal year ending September 30, 2018 ("FY 18"), payable on a monthly basis. Each monthly payment shall be calculated by multiplying the percentage under "% of Available Funds" for FSVA as set forth in the Payment Schedule in **Exhibit "B"** by the actual amount of local option taxes received by the ASB, less direct costs, administrative expenses, and fund balance, which is designated as "Funds Available for Contracts", in **Exhibit "B"**. In the event the monthly payments derived during FY 18 would exceed the "Fly SV Alliance Contract Expenses" amount in **Exhibit "B"**, the last monthly payment(s) shall be reduced to ensure only a payment of the contract amount in Exhibit B.. In the event the monthly payments derived during FY 18 are less than the contract amount in Exhibit B FSVA shall not be entitled to the difference between the total of the monthly payments and the contract amount in Exhibit B. The Payment Schedule for each

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subsequent fiscal year may be amended by the parties as part of that fiscal year's budget process.

- B. FSVa shall maintain a contract with SVC wherein SVC shall reimburse FSVa for 50% of Air Service Contract Costs. Said reimbursements shall include a cash payment for 50% of MRG cost, and other contributions for at least 50% of other Air Service Contract Costs.
 - C. Limitation of Funds. Funds paid by ASB to FSVa shall only be used for the purposes set forth in this Contract, and for no other purpose. The annual FSVa ASB contract budget is outlined on the spread sheet attached hereto as **Exhibit "C"**. In the event FSVa pays pursuant to the contracts described in Recital 10, above, less than the "Total FSVa Contract Amount" identified in **Exhibit "C"**, the difference may be retained by FSVa as reserves but such amount shall only be used for payment of future Air Service Contract Costs, if approved by ASB, under other airline contracts, subject to the same limitations set forth in this Contract.
6. Reporting Requirements. In partial consideration for, , FSVa agrees to provide to the ASB:
- A. Written and in-person presentations and reports in January and July during the term of this Contract or as otherwise scheduled by the parties outlining program results and plans for the upcoming season and explaining annual performance based on the metrics specified in attached **Exhibit "A"**. Semi-annual reports will be based on the government fiscal year of October 1st to September 30".
 - B. The ASB has at all times the right to request an independent audit, at the sole cost of FSVa, under the provisions herein, and such audit obligation and cost on the part of FSVa shall survive any termination.
 - C. The ASB may request additional financial information it deems necessary or appropriate to assist the ASB in verifying the accuracy of the FSVa's financial records, and within a reasonable time period, FSVa shall submit such information or reports relating to its activities under this Contract to ASB in such form and at such time as ASB may reasonably require. Any duly authorized agents of the ASB shall be entitled to inspect and audit all books and records of FSVa for compliance with the terms of this Contract. Any record provided hereunder which would be covered by the confidentiality provisions described in Recital 11, above, shall not be disclosed unless ordered by a court of competent

SUN VALLEY
AIR SERVICE BOARD

jurisdiction or unless consent is provided by the Sun Valley Company and the relevant airline. FSVA agrees to retain all financial records, supporting documents, statistical reports, contracts, minutes, correspondence, and all other accounting records or written materials pertaining to this Contract for three (3) years following the expiration or termination of this Contract.

- D. Invoices and supporting documents from airlines for the Air Service Contract Costs to be paid by FSVA, and documentation of reimbursement of 50% of Air Service Contract Costs by SVC to FSVA. Such invoices and supporting documentation shall be presented to the ASB by FSVA in executive session.
7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to FSVA with or without cause. The ASB recognizes that the FSVA has made significant financial commitments (*e.g.*, vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to FSVA under this Contract at the end of the 90-day period.
8. Equal Employment Opportunity. FSVA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.
9. Independent Contractor Status. The parties acknowledge and agree that FSVA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. FSVA shall create, direct and control its own means and methods of performing this Contract. FSVA and its agents, members, employees and volunteers shall not accrue leave, retirement, insurance, bonding or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by FSVA in a competent, efficient and satisfactory manner.
10. Hold Harmless Agreement. FSVA hereby covenants and agrees to indemnify, defend and hold the ASB and the Component Members, and their officials, officers, employees and agents harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of non-disclosure of information pursuant to Paragraph 6(D) of this Contract or by reason of any wrongful act or omission on the part of FSVA, its agents, employees, assigns or subcontractors, related to damages or bodily injury, property damage and personal injury that arise out of FSVA's actions or omissions associated with the services or obligations described in this Contract. FSVA shall have the duty to appear and defend

SUN VALLEY
AIR SERVICE BOARD

any such demand, claim, suit or action on behalf of ASB and the Component Members, or tender the defense without cost or expense to ASB and the Component Members.

11. Non-Assignment. This Contract may not be assigned by or transferred by FSVA, in whole or in part, without the prior written consent of the ASB.
12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of any such dispute in Blaine County, Idaho. If mediation is unsuccessful, then the dispute, shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.
13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.
14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract nor are any public funds committed beyond the current fiscal year. The terms of this Contract are contingent upon sufficient appropriations being made each fiscal year by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by FSVA. ASB's decision as to whether sufficient appropriations are available shall be accepted by FSVA and shall be final. FSVA HAS NO RIGHT TO COMPEL COMPONENT MEMBERS TO LEVY OR COLLECT TAXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR. In the event that this provision conflicts with any other provision in the Agreement, this provision shall prevail.
15. Miscellaneous Provisions.
 - a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Contract or any of the provisions of the Contract.
 - b. Provisions Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

SUN VALLEY
AIR SERVICE BOARD

- c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Contract are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
- d. Successor and Assigns. This Contract and the terms and provisions herein shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.
- e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.
- f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.
- g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.
- h. No Waiver. No waiver of any breach by either party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.
- i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the parties.
- j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:
 - a. ASB: P.O. Box 3801, Ketchum, Idaho 83340
 - b. FSVA: P.O. Box 6316, Ketchum, Idaho 83340
- k. Fiscal Year. For the purpose of this Contract, the fiscal year is considered a government fiscal year between October 1 and September 30 of the following year.

**SUN VALLEY
AIR SERVICE BOARD**

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

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

Signatures:

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



MISSION

FY18

Retain, develop and improve air service at Friedman Memorial Airport (SUN).

ORGANIZATIONAL STRUCTURE

Fly Sun Valley Alliance (FSVA) is an Idaho non-profit 501c(6) corporation with both private and public sector volunteer board members representing governments, organizations and businesses throughout Blaine County.

SCOPE OF WORK

AIR SERVICE DEVELOPMENT

Secure & Manage Contract Air Service: Currently Alaska (SEA/LAX/PDX) flights; United (SFO/DEN/ORD) flights

- Negotiate air service contract terms with airlines, in partnership with Sun Valley Company:
 - Operating season, schedules, equipment
 - MRG cap amount; analysis of cost per flight & projected revenues
 - LOC requirements; Weather diversion busing provisions
- Monitor bookings on weekly basis; cost & revenue monthly
- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare and schedule adjustment discussions with airline partners as needed
- Assist with coordination of air service market planning for SUN with other partners (SVMA, SVR, ITC, etc.)
- Support coordination of start-up effort for new service (as needed) – launch celebrations, marketing, etc.
- Organize/support enhanced weather diversion bussing program for all SUN commercial air travelers and airlines
- Coordinate with Friedman Memorial Airport in all aspects of air service planning/implementation

Manage & Support Non-Contract Air Service: Currently Delta for year-round SLC and limited LAX flights

- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare & schedule adjustment discussions with airline as appropriate
- Assist with coordination of air service marketing planning for SUN with other partners (SVMA, SVR, ITC, etc.)
- Organize/support enhanced weather diversion bussing program for all SUN commercial air travelers and airlines

RESEARCH

- Conduct air passenger survey research at SUN during winter & summer/fall seasons
- Conduct other market research on local air travel patterns – i.e., business travel survey
- Collect/analyze/report other research re: travel trends, demographics, economic impact
- Monitor monthly enplanement, seat occupancy, other air service data relative to SUN, industry & competitive set

COMMUNITY OUTREACH/EDUCATION - LOCAL AIR MARKETING

- Maintain FSVA website, www.flysunvalleyalliance.com, with information on SUN air service, news, studies, etc.
- Provide ongoing public outreach/communications via Enews, social media, meetings, presentations, other
- Create & implement local air service marketing/PR programs targeted to local and regional air travelers
- Assist with coordination of marketing of flights/fares sales, etc. with airlines and local/state partners

KEY PERFORMANCE METRICS

- **Retain/Expand Current Air Service:** Retain contracted nonstop SEA/LAX/SFO/DEN/PDX flights and support SLC flights; improve air service schedules/frequency as feasible.
- **New Air Service:** Pursue new nonstop flight market for FY18 (secured ORD winter flights) and future
- **Build SUN Passenger Traffic:** Work with airlines/marketing partners to increase load factors & minimize air service costs as feasible. Work with airlines on SUN fares and schedules to reduce air passenger leakage.
- **Research:** Conduct seasonal air passenger surveys at SUN; conduct competitive analysis, economic impact and other research as needed.

EXHIBIT B

APPROVED FY 2017 - 2018 PAYMENT SCHEDULE

1% LOT Generated	1% LOT Received					Communities' Direct Costs	LOT Funds from Communities	Air Service Board Administrative Expenses	Fund Balance Applied	Funds Available for Contracts	Fly SV Alliance Contract Expenses	% of Available Funds	SVMA Contract Expenses	% of Available Funds
		Sun Valley	Ketchum	Hailey	TOTAL									
								\$0	\$0	\$0	20%	\$0	80%	
Oct-17	Dec-17	\$22,806	\$165,740	\$8,748	\$197,294	\$6,407	\$190,887	-\$2,893	\$187,993	\$37,599	20%	\$150,395	80%	
Nov-17	Jan-18	\$17,339	\$121,309	\$3,917	\$142,565	\$6,276	\$136,289	-\$83	\$136,206	\$27,241	20%	\$108,965	80%	
Dec-17	Feb-18	\$59,627	\$118,703	\$3,917	\$182,246	\$6,276	\$175,971	-\$83	\$175,887	\$35,177	20%	\$140,710	80%	
Jan-18	Mar-18	\$37,553	\$273,546	\$5,870	\$316,969	\$6,329	\$310,640	-\$83	\$310,557	\$62,111	20%	\$248,445	80%	
Feb-18	Apr-18	\$45,407	\$176,491	\$10,496	\$232,394	\$6,455	\$225,939	-\$83	\$225,855	\$45,171	20%	\$180,684	80%	
Mar-18	May-18	\$38,945	\$195,238	\$8,440	\$242,622	\$6,399	\$236,223	-\$83	\$236,140	\$188,912	80%	\$47,228	20%	
Apr-18	Jun-18	\$16,779	\$172,511	\$7,720	\$197,010	\$6,379	\$190,631	-\$583	\$190,048	\$152,038	80%	\$38,010	20%	
May-18	Jul-18	\$19,234	\$101,602	\$4,122	\$124,958	\$6,281	\$118,677	-\$83	\$118,594	\$94,875	80%	\$23,719	20%	
Jun-18	Aug-18	\$42,954	\$104,634	\$3,608	\$151,196	\$6,267	\$144,929	-\$83	\$144,845	\$115,876	80%	\$28,969	20%	
Jul-18	Sep-18	\$99,066	\$164,815	\$7,206	\$271,087	\$6,365	\$264,722	-\$83	\$264,639	\$211,711	80%	\$52,928	20%	
Aug-18	Oct-18	\$81,694	\$232,389	\$15,430	\$329,513	\$6,589	\$322,923	-\$83	\$322,840	\$258,272	80%	\$64,568	20%	
Sep-18	Nov-18	\$36,987	\$226,023	\$13,683	\$276,693	\$6,542	\$270,151	-\$15,083	\$255,245	\$39,865	15%	\$215,380	85%	
		\$518,390	\$2,053,000	\$93,157	\$2,664,548	\$76,566	\$2,587,982	-\$19,310	\$0	\$2,568,849	\$1,268,849		\$1,300,000	

FSVA 1% LOT ASB CONTRACT BUDGET (FYE 9/30/18)

FSVA CONTRACT INCOME	FY18 1% LOT Budget
1% LOT Revenues/ASB Contract for Services	\$ 1,268,849
Interest	\$ 3,000
TOTAL INCOME	\$ 1,271,849
<i>*Contract for Services with Air Service Board</i>	
FSVA AIR SERVICE DEVELOPMENT EXPENSE	
Air Service Contract Costs <i>(Net FSVA for MRG/Busing/LOC - 50% cost share with Sun Valley Resort)</i>	\$ 1,138,849
Air Service Consulting Fees/Meetings <i>(Mead&Hunt consulting fees, airline meetings, etc)</i>	\$ 80,000
Local Air Service Marketing <i>(ads, EDM, website, etc)</i>	\$ 25,000
Research <i>(SUN air passenger surveys, other)</i>	\$ 25,000
TOTAL EXPENSE	\$ 1,268,849
Strategic Reserves (for future flights)	
TOTAL FSVA CONTRACT AMOUNT	\$ 1,268,849

SUN VALLEY AIR SERVICES BOARD

INVOICES TO BE PAID

Through February 22, 2018

Dennis R. Brown	Invoice for 2016 – 2017 Auditing Expense	\$ 1,100.00
City of Ketchum	Invoice for Post Office Box Rental	60.00
City of Hailey	Reimbursement for Sun Valley Air Service Board Legal Fees	1,225.00
TOTAL		\$2,385.00

DENNIS R. BROWN -AR Account

Certified Public Accountant
 PO Box 2367
 828 Blue Lakes Blvd N
 Twin Falls, ID 83303-2367

Statement

Date
1/31/2018

To:
SUN VALLEY AIR SERVICE BOARD PO BOX 3801 KETCHUM, ID 83340

Terms	Amount Due	Amount Enc.
Net 10	\$1,100.00	

Date	Transaction				Amount	Balance
12/31/2017	Balance forward					1,100.00
	CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
	1,100.00	0.00	0.00	0.00	0.00	\$1,100.00

Phone #	Fax #
(208)733-1161	(208)733-6100

DENNIS R. BROWN, CPA TWIN FALLS, ID

Post Office Box Service Fee Due

Thank you.

Please disregard this notice if payment has been made.

Make checks or money orders payable to "U.S. Postal Service." If the bank returns your check, or if payment is not received by the due date, your PO Box service will be suspended until all associated charges are paid.

Your PO Box will be closed if the fee is not paid by the due date. If the fee is not paid within 10 days after the due date, a late payment charge will apply. You may make payment by any of the convenient options noted on the inside top portion of this envelope.

Your PO Box fee is due by the LAST DAY OF THIS MONTH.

- Annual
- Semiannual

\$ _____ Amount

Box # 3801 83340
 SUN VALLEY AIR SERVICE BOARD
 6 Months: \$30.00 12 Months: \$60.00
 Due Date: 02/28/2018



If Undeliverable as Addressed,
Return to Local Postmaster

BUSINESS REPLY MAIL
 FIRST-CLASS MAIL PERMIT NO. 98998

POSTAGE WILL BE PAID BY ADDRESSEE

PO BOX FEE PAYMENT

POSTMASTER

Print
 Post Office Address Here → **Ketchum ID 83340**
 City, State, ZIP Code

NO POSTAGE
 NECESSARY
 IF MAILED
 IN THE
 UNITED STATES





115 MAIN STREET S. SUITE H
 HAILEY, ID 83333
 PHONE: (208) 788-4221
 FAX: (208) 788-2924

INVOICE #	INVOICE DATE
111841562	02/15/2018
DUE DATE	CUSTOMER ACCOUNT NUMBER
02/16/2018	8500
AMOUNT DUE	TERMS:
1,225.00	Open Terms

BILL TO:

SUN VALLEY AIR SERVICES BOARD

PO BOX 3801
 KETCHUM ID 83333

PLEASE DETACH AND RETURN THIS TOP PORTION
 WITH YOUR PAYMENT BY DUE DATE TO:

CITY OF HAILEY
 115 S MAIN ST STE H
 HAILEY, ID 83333

INVOICE

DESCRIPTION	QUANTITY	CHARGE	EXT. PRICE
LEGAL REIMB Christopher Simms Jan '18 Consult	7	175.00	1,225.00
			1,225.00
			TOTAL AMOUNT DUE

THANK YOU FOR YOUR PROMPT PAYMENT
 For Billing Inquiries Call: (208)788-4221
 Office Hours: 9:00 a.m. - 5:00 p.m.
 Monday thru Friday

CHRISTOPHER P. SIMMS

ATTORNEY AT LAW

PO Box 1861
 Hailey, Idaho 83333
 208.788.2800 tele /208.578.0564 fax
 cpslaw@gmail.com

STATEMENT NO. Feb-18
 DATE February 2, 2018
 CLIENT City of Hailey
 FEE \$175.00 per Hour

121-210
 437-500
 300-250
 43-750
 87-500
 87-500

TO City of Hailey
 Attn. Becky Stokes, Treasurer
 115 Main Street South, Suite H
 Hailey, Idaho 83333
 Invoice for Legal Services Rendered

MATTER City Attorney

1-000-1300

HOURS	DATE & DESCRIPTION	RATE	AMOUNT
3.500	1.16.18 fnl edit, exh prep, citation checks M. Sum. J Miles	\$175.00	\$ 612.50
0.750	Joint Defense Agreement reconsidered (fee waived)		\$ -
1.500	Personnel Manual Issues	\$175.00	\$ 262.50
0.750	Council Agenda Prep	\$175.00	\$ 131.25
1.250	1.17.18 Miles, Exhibit certification, affidavit sig, & file	\$175.00	\$ 218.75
1.000	amndnd AIS,, council agenda rvw, & prep	\$175.00	\$ 175.00
* 0.750	1.18.18 telcon Carol Waller re; Air Service Board, doc rvw	\$175.00	\$ 131.25
0.666	Miles, telcon Ct Clerk, date, drft & file Ntc of Hearing	\$175.00	\$ 116.55
* 2.500	1.19.18 rvw ASB contract, meet Carol Waller, conf w Mayor	\$175.00	\$ 437.50
0.750	conf R. Attington re: ACI	\$175.00	\$ 131.25
0.166	email Exch. H. Dawson Re; Press Release	\$175.00	\$ 29.05
1.250	1.22.17 rvw council meeting packet, meeting prep	\$175.00	\$ 218.75
0.500	telcon B. Stokes re: Audit item, conf Mayor	\$175.00	\$ 87.50
* 1.750	ASB contract rvw edit, vm SV and Ketchum, email C. Waller	\$175.00	\$ 306.25
2.750	attend Council meeting & pre-meeting	\$175.00	\$ 481.25
1.500	1.23.18 meet C. Tevan, research and email Land-Use Ref Mat	\$175.00	\$ 262.50
* 0.250	telcon Susan Robertson re: ASB	\$175.00	\$ 43.75
0.500	rvw Quigley P&Z Findings	\$175.00	\$ 87.50
0.250	rvw & respond to R. Bundy employment	\$175.00	\$ 43.75
1.500	1.24.18 conf L. Horowitz re: zoning code amnd	\$175.00	\$ 262.50
0.250	telcon K. Schwartz re: Equip Lease	\$175.00	\$ 43.75
* 0.500	C Waller email exch & doc rvw re: ASB K	\$175.00	\$ 87.50
0.083	vm H Dawson re: exc solid waste bond funds	\$175.00	\$ 14.53
0.750	1.25.18 ASB Contract consulting	\$175.00	\$ 131.25
	K. Schwartz cor. re: equpt acq.		
1.250	research re: IC63-602NN, conf mayor telecon T. Graves	\$175.00	\$ 218.75

Make check payable to CHRISTOPHER P. SIMMS
THANK YOU FOR YOUR BUSINESS!

CHRISTOPHER P. SIMMS

ATTORNEY AT LAW

PO Box 1861
 Hailey, Idaho 83333
 208.788.2800 tele /208.578.0564 fax
cpslaw@gmail.com

STATEMENT NO. Feb-18
 DATE February 2, 2018
 CLIENT City of Hailey
 FEE \$175.00 per Hour

TO City of Hailey
 Attn. Becky Stokes, Treasurer
 115 Main Street South, Suite H
 Hailey, Idaho 83333
 Invoice for Legal Services Rendered

MATTER City Attorney

HOURS	DATE & DESCRIPTION	RATE	AMOUNT
2.500	budget research & Budget meeting	\$175.00	\$ 437.50
0.250	Sign Ordinance correspondence Wendland	\$175.00	\$ 43.75
0.330	1.26.18 conf L. Horowitz Re; Co. Gulch replat	\$175.00	\$ 57.75
1.000	conf B. Stokes & H. Dawson Re: Muni finance	\$175.00	\$ 175.00
* 0.500	telcon Suzaane Frick re: ASB, final rvw of K docs	\$175.00	\$ 87.50
0.167	rvw L. Horowitz reference materials	\$175.00	\$ 29.16
0.087	telcon M. Cone re; Cem deed	\$175.00	\$ 15.23
2.330	1.27.18 rvw muni finance rsrch mtrls prsntd by H. Dawson	\$175.00	\$ 407.75
0.330	rvwL Horowitz email & rtd materials re: Tax exempt Co ord	\$175.00	\$ 57.75
0.166	email K Schwartz re equipt lease non-appropriation clause	\$175.00	\$ 29.05
2.166	1.29.18 sidewalk research & memo draft	\$175.00	\$ 379.05
2.750	P&Z meting prep and attnd	\$175.00	\$ 481.25
2.000	1.30.18 prep co prop tax exempt ord & attnd meeting	\$175.00	\$ 350.00
1.250	L Horowitz conf re: Quigley wtr treatment bldg & MOD	\$175.00	\$ 218.75
0.500	rvw H Dawson Finance Memos	\$175.00	\$ 87.50
1.330	multi-family design research	\$175.00	\$ 232.75
	PAYMENT RCVD (THANK YOU)		(\$7,344.40)
	100-15-41313	4,825. ¹¹	
	200 ↓ ↓	4,825. ¹¹	
	210 ↓ ↓	4,825. ¹²	
		TOTAL AMOUNT DUE	\$14,477.14

Make check payable to CHRISTOPHER P. SIMMS
 THANK YOU FOR YOUR BUSINESS!