

**SUN VALLEY AIR SERVICE BOARD
MEETING MINUTES
March 18, 2020**

Present: Neil Bradshaw - Mayor, City of Ketchum
Martha Burke – Mayor, City of Hailey
Peter Hendricks – Mayor, City of Sun Valley
Jacob Greenberg – Commissioner, Blaine County

Staff: Suzanne Frick, Administrator of Ketchum
Heather Dawson, Administrator of Hailey
Grant Gager, Treasurer – City of Ketchum

CALL TO ORDER

Mayor Peter Hendricks called the meeting to order at 2:07 p.m.

PUBLIC COMMENT

Mayor Peter Hendricks opened the meeting for public comment. There was none.

REMARKS FROM THE BOARD

Mayor Neil Bradshaw advised these are unprecedented times and would like to talk about the financial impact of what the virus is doing to the valley and the local tax impact to Sun Valley Marketing and Fly Sun Valley Alliance. Mayor Neil Bradshaw asked for everybody to be prudent with spending and advised that he appreciates all that everyone is doing.

CONSENT AGENDA

1. Approval of Air Service Board Minutes of January 22, 2020 (Action Item)
2. Approval of Air Service Board Minutes of January 30, 2020 (Action Item)
3. Receive and File Financials:
 - a. 1% Local Option Tax Report – November and December 2020 (Action Item)
 - b. 1% Local Option Tax Report – January 2020 (Action Item)

Motion to approve the consent agenda Items 1 – 3.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Nail Bradshaw, Mayor of Ketchum
SECONDER:	Peter Hendricks, Mayor of Sun Valley
AYES:	Hendricks, Bradshaw, Burke

ACTION/DISCUSSION

4. Authorization of Payment Bills on-hand through March 13, 2020 (Action Item)

Motion to approve the authorization of payment on bills on hand thru March 13, 2020.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Nail Bradshaw, Mayor of Ketchum
SECONDER:	Peter Hendricks, Mayor of Sun Valley
AYES:	Hendricks, Bradshaw, Burke

5. Discussion of Fund Balance Protocol and Procedure

Mayor Neil Bradshaw asked Treasurer for the City of Ketchum to summarize where we are financially. Grant Gager talked about the FY20 Budget and appropriating \$276,000 in the fund balance and an additional \$206,000 in un-appropriated funds. Staff is seeking guidance from the board in releasing both the \$276,000 and the \$206,000 to the contractors. He questioned if we wait until a future date and release sales tax money as it comes in.

Mayor Neil Bradshaw would like to reserve as much as possible at this time. Releasing the appropriated funds is appropriate. The broader issue is our expectations of the unappropriated funds. He questioned what we are anticipating in lost revenue this fiscal period? He talked about the 90-day termination period in the contract stating that if we were to terminate, we would not have to pay the entities. He is not suggesting that but would like to see what comes in prior to paying. He would like to keep the unappropriated funds until a later date. He is ok with releasing the \$276,000.

What the \$276,000 consists of was discussed at length among Mayor's and Ketchum's Treasurer Grant Gager. Grant Gager explained that none of the fund balance has been released. Grant Gager talked about projections and what the cities are responsible to pay at what time. The \$276,000 is money that the air service board took in, in the prior fiscal years, that we have pledged in addition to tax revenues from cities to fulfill our obligation. Grant Gager advised that \$1,068,473.78 is what the cities have collected. All but \$20,000 has flowed to the Air Service Board. The total expenditure budget of the Air Service Board is \$3.17 Million. The revenue to pay the contracts is \$2.9 Million in tax revenue and \$270,000 in fund balance. The \$206,000 was above revenue and not appropriated. He asked what action the Fly Sun Valley Alliance and Marketing Alliance are taking when signing contracts and Minimum Revenue Guarantees (mrg's) for the future. Mayor Bradshaw advised that we may not get the revenue we expected and in order to hold back the \$206,000 we may need to curtail the current contract as it exists. We may need to have another Air Service Board meeting within the month to re-access. The \$276,000 should be released but we need to wait on the \$206,000. We need to be very cautious on spending that money.

County Commissioner Jacob Greenberg talked about the contracts in place. He questioned if the dollar amounts were set on the fixed amount or the percentage of what is collected. He advised that those funds are only available for the Alliances. We cannot spend those funds in any other way. He questioned the alliance on how they plan on spending the funds. Treasurer Grant Gager advised that the contracts are set dollar amounts each year. Mayor Neil Bradshaw clarified that we all just need to be on the same page on spending the funds. Scott Fortner, Executive Director of Visit Sun Valley talked about his long-term plan advising they have backed off on their expenditures and talked about the unforeseen future and how they will move forward. He recommended having the flexibility to let the dollars rollover into the next fiscal year. Mayor Peter Hendricks said we are all in agreement to pay the \$276,000. He asked if Scott Fortner had an issue with the Air Service Board holding the \$206,000. Scott Fortner advised that he is fine with that. Carol Waller Executive director of the Fly Sun Valley Alliance is

also in agreement. The budget process was discussed for the rest of this year and holding the \$206,000 until next year. Mayor Peter Hendricks suggested to err on the side of caution. He advised that this is a dire situation that may last longer than we think it will last. We all need to be conservative and watchful. He encouraged Carol Waller and Scott Fortner to adopt this philosophy and to do the same.

Mayor Neil Bradshaw is very much aligned with Mayor Peter Hendricks sentiment. He questioned signing any additional mrg's without additional language with not knowing what the future looks like. He wished both entity's luck and advised that they both have his support. Mayor Martha Burke advised to be frugal and cautious and prepare for the worst and we will be prepared when things turn around. Commissioner Jacob Greenberg advised that we may want to look at the contract for future situations such as this. Jacob Greenberg stated that this situation is unprecedented, but it's here, and we need to be cautious moving forward.

Carol Waller said that she and Scott Fortner will work together on putting together some scenarios for the summer months. Mayor Neil Bradshaw talked about the percentages from past years. Those tracking's will be sent to Carol Waller and Scott Fortner to assist with their projections. If we go from March to September with a 50% decrease that would lead to a \$665,000 decrease and that is important to keep in mind.

Commissioner Jacob Greenberg would like Dave Maderas to look at worst case scenarios. Carol Waller agrees. Mayor Neil Bradshaw suggested Carol Waller set that in place.

Carol Waller advised that she thinks everybody is on the same page and will continue to work together.

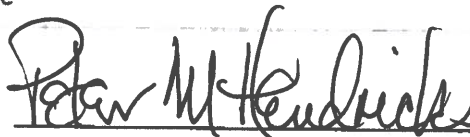
6. Adjournment

Motion to adjourn

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Neil Bradshaw, Mayor of Ketchum
SECONDER:	Martha Burke, Mayor of Halley
AYES:	Hendricks, Bradshaw, Burke



Neil Bradshaw, Secretary/Treasurer



Peter Hendricks, Chair