

**AGENDA**  
**SUN VALLEY AIR SERVICE BOARD MEETING**  
SUN VALLEY CITY HALL  
81 ELKHORN ROAD  
SUN VALLEY, ID  
April 3, 2019 - 2:00 P.M.

**CALL TO ORDER**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**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 Sun Valley Air Service Board Minutes of January 30, 2019 (Action Item);
2. Receive and File Financials:
  - a. 1% Local Option Tax Report: December 2018 and January 2019 (Action Item);

**ACTION/DISCUSSION/PRESENTATIONS**

3. Authorization of Payment of Bills on-hand through March 28, 2019 (Action Item);
4. Discussion and possible action regarding renewal of the Sun Valley Air Service Board Joint Powers Agreement (Action Item);
5. Discussion and review of Workman & Company's audit reports of Fly Sun Valley Alliance and Sun Valley Marketing Alliance regarding 1% Local Option Tax revenue and expenditures;
6. Update by Fly Sun Valley Alliance;
7. Update by David Madaras, Couloir Consulting;

**EXECUTIVE SESSION** – Pursuant to Idaho Code § 74-206 (d) to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code and Idaho Code § 74-206 (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 or nations;

**ADJOURNMENT** (Action Item)

**Sun Valley Air Service Board  
Meeting Minutes  
January 30, 2019  
Hailey City Hall Meeting Room 2 pm**

Present: Fritz Haemmerle – Mayor, City of Hailey  
Neil Bradshaw – Mayor, City of Ketchum  
Jacob Greenberg – Blaine County Commissioner

Absent: Peter Hendricks – Mayor, City of Sun Valley

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

CALL TO ORDER

[2:04:05 PM](#) call to order by Mayor Haemmerle

ROLL CALL

[2:04:22 PM](#) Jacob Greenberg present. Neil Bradshaw present. Fritz Haemmerle present.

ELECTION OF CHAIR:

Election of officers.

[2:05:07 PM](#) Haemmerle makes a suggestion on the seats, nominate Ketchum as Secretary/Treasurer, Peter Hendricks as Chair, and Fritz Haemmerle as Vice-Chair.

[2:05:33 PM](#) **Bradshaw moves to appoint Peter Hendricks as Chair, Fritz Haemmerle as Vice-Chair and Neil Bradshaw as Secretary/Treasurer, seconded by Haemmerle, motion passed with roll call vote, Bradshaw, yes. Haemmerle, yes.**

PUBLIC COMMENTS

No public Comments.

REMARKS FROM CHAIR

Haemmerle recently flew in bad weather conditions and had no delays or missed flights, not diverted – a very good experience.

REMARKS FROM BOARD

[2:06:54 PM](#) Bradshaw commented on the Eccles ranch deal that is coming together and almost complete. Haemmerle replied that the purchase and sell agreement has been signed.

[2:07:15 PM](#) Greenberg, what really makes this work is being able to remove the trees and prior to that you must complete the EA (Environmental Assessment), and the workers responsible for this have been furloughed, are now back at work and the EA is close to being approved. Once approved can remove the trees in the spring. We can cut trees sooner but risk kill the trees with trimming them prior to spring.

Greenberg added that he is honored to be here, he volunteered to be here representing the county as non-voter and part owner of airport. Appreciate being here.

#### CONSENT AGENDA:

[2:09:20 PM](#) **Bradshaw moved to approve all consent agenda items, seconded by Haemmerle, motion passed unanimously.**

#### PRESENTATIONS:

3. [2:09:48 PM](#) Dennis Brown, a CPA with Workman and Company presents the audited financial statement. There is about a \$390,000 carryover balance, it is helpful for timing of payments since the revenue is delayed in getting to them from the cities. This year Brown has drilled down into the 2 agencies that this board has contracts with, Sun Valley Marketing Alliance and Visit Sun Valley (VSV). They are not quite finished with this report, they both have good books. Brown will give this board the report within the next few weeks. Haemmerle does not have questions but asked if Brown sees anything in his audit, to report back to this board that information. Brown replies that he will give reports to both agencies and this board.

4. [2:13:09 PM](#) Semiannual report by Carol Waller with Fly Sun Valley Alliance (FSVA). Waller gives last 5 years results. 2013/14 – 2018, 3 new non-stop flights added. Growth in air passengers, all trends are up. LOT sales tax growth tracks air service and passenger growth, 68% growth in general city LOT revenues over past 5 years, tracks with 66% growth in air seats 86% growth in enplanements. 2018 summer/fall – 6% increase in enplanements. Air passenger survey results from 2017-18 summer, collected 1936 surveys, passenger mix has not really changed, 76% are part-time resident/visitors., steady growth in the past 5 years, in first time visitors. Our first-time visitors are primarily from west coast states. We have seen a 60% growth in first-time visitors, in the past 5 years. Comparisons, with us and other rocky mtn resort airports - we have fewer visitors that stay in paid lodging.

[2:21:31 PM](#) Haemmerle asked Waller why 46% stay in rental lodging here as opposed to 76% stay in lodging in other resort towns? Waller responds, our visitors are staying with friends and family or other managed lodging.

Waller discusses Strategic goals, which includes, retain/support contract nonstop flights, and work with airlines to optimize schedules for all flights.

Strategic planning framework [2:23:17 PM](#) in Nov 2018 we had joint board meeting FSVA & VSV Executive boards and staff, they discussed key strategic alignment and

increased collaboration. Joint FSVA & VSV board session (Dec), this board has gotten an overview of history & results of air service and marketing program, including an overview of current analysis work by Dave Madaras with Couloir Consulting.

Waller goes on to discuss FY19 winter update [2:26:05 PM](#) we added a 3<sup>rd</sup> daily flight from SLC for winter. Finalizing schedule for summer/fall service, it will be announced in Feb. 2019. Waller concludes by stating that this partnership is working, thank you.

[2:27:41 PM](#) Haemmerle, definition of resident, are we picking up neighboring county residents? Waller replies, will look into this, she thinks she has this information.

[2:29:45 PM](#) Fortner comments. Haemmerle, asked, do we market to Twin Falls? Fortner, no we do not. Waller adds, they have advertised in the past and the response from Twin Falls was not large.

[2:31:04 PM](#) Greenberg, the more first-time visitors we can get will broaden our base and will keep visitors coming if there is another down turn.

[2:33:30 PM](#) Bradshaw thanks Waller for increasing the collaboration with VSV, that is starting to happen, joint thought / decisions. Would like to see in time, could be 1 organization with 2 working groups. Allocation process is better and can be improved, likes direction you are moving on this. loves the 5-year strategic plan.

[2:36:09 PM](#) Scott Fortner, started out Alaska airlines promotional video with Limelight hotel, marketing. Social media posts, delta posted our photos. VSV has done their own social media posts. In Dec 2018, noticed a downside for bookings for Jan-March, put together flights and free nights, booking through non-stop cities, \$200 credit on flight, leveraged with ski.com, went to 200,000 of their database, began Jan 10,2019, to try to turn around reservations. Have not seen results yet. This is all new-found customers, will run through first part of February and then push out ourselves in social media marketing venues. Facebook page about flights, over 200 people commented on a Facebook post, I love it to I will never come again. One post, a person visited by train. Up to us to change that perception. One of most popular post we have.[2:44:54 PM](#) interesting to see the passionate responses of how their experiences have really made an impact.

[2:45:36 PM](#) Greenberg comments on bussing. Blaine County Commissioners are working with a firm to work on a new approach with bussing. Once they have an approach they will try to get by in. The board is investing money in this idea. Greenberg then discusses a feasibility study to develop a pilot approach for Delta/Skywest and United) similar to what Alaska has done, if we can get the landing gear to be utilized (costs money and training of pilots).

[2:47:54 PM](#) Fortner comments on the bussing process and the importance of educating the hotels so they can communicate with their travelers. And prior to travel day send a

pre-travel message to educate them on potential diversions, VSV continues to work on this process.

Fortner, we keep working on their website, travel, showing flights in our area. For people that are aware of sun valley (vs. non sun valley), they are not interested in this website. Those who've never visited are very familiar with this website. Our advertising seems to be working, but the conversion is not happening as often as we'd like it to. Snapshot of data. 585 travelers x \$350 avg. cost of flight - \$204,557. 2515 room nights x \$250/avg. - \$628,750 x .03%-4% = \$25K in LOT from lodging – does not include restaurant/retail spend.

Bradshaw, comments this information is really great.

[2:54:29 PM](#) Fortner would like to expand the tracking to Twin Falls / Boise, starting to get a little bit of a sense of this data. Opportunities for improvement, conversation –path to purchase, diversions, lack of air service knowledge info. And other impacts.

[2:56:02 PM](#) Greenberg asked a question on the data shown December tracked, Boise 425, Hailey 73, Twin Falls, 2; these are where people ended of flying to, in December? Fortner responded yes. Fortner, not sure of the reasons for the data, maybe it is just expensive to fly into Sun Valley.

[2:58:12 PM](#) Bradshaw asked about marketing to other areas, did we ever ask an attorney this? Fortner responds, we cannot take marketing regionally. An example is we can promote flights from John Wayne airport into Boise or other markets that we feel have opportunity. But we can't market in Boise, by saying "come for the weekend to Sun Valley." We cannot use 1% LOT unless it is air service related.

[3:00:29 PM](#) Greenberg, responsibility is to market flights so that people end up here, not advertising in Boise. Fortner replied, doesn't always have to be ticket prices, broader marketing is okay.

[3:02:12 PM](#) Bradshaw, we would rather have a larger toolbox for opportunity.

[3:03:06 PM](#) Great presentations announced Haemmerle; he has watched this airport turn into a very legitimate airport. And it is working quite well. Direct flights have been quite full.

#### EXECUTIVE SESSION:

No exec session today.

#### NEW BUSINESS/REPORTS:

6 receive / file allocation of voting rights for 2019. [3:04:59 PM](#) **Bradshaw moves to approve voting rights as presented, Haemmerle seconds, motion passed with roll call vote. Bradshaw, yes. Haemmerle, yes.**

7. want a full board for this.[3:05:29 PM](#) Susan Robertson, this needs to be done by July, so however long, it needs to be complete by then. Haemmerle asks for staff to bring back in time for board to approve.

8. bills on hands pg 32, [3:06:41 PM](#) **Bradshaw moves to approve bills on hand, seconded by Haemmerle, motion passed with roll call vote. Bradshaw, yes. Haemmerle, yes.**

9. [3:07:15 PM](#) March 27 meeting date during spring break, meet a week earlier? Bradshaw is going to be gone the week of spring break. Robertson suggested the march meeting moved April 3<sup>rd</sup> in Sun Valley at 2 pm. [3:08:33 PM](#) **Bradshaw moves to change the March 27<sup>th</sup> meeting to April 3<sup>rd</sup> in Sun Valley City Hall at 2 pm, seconded by Haemmerle, motion passed with roll call vote. Bradshaw, yes. Haemmerle, yes.**

[3:08:53 PM](#) **Bradshaw moves to adjourn meeting, seconded by Haemmerle, motion passed.**

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Fritz Haemmerle, Chairman

ATTEST:

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Neil Bradshaw, Secretary/Treasurer

**SUN VALLEY AIR SERVICE BOARD  
1% LOCAL OPTION TAX REPORT  
DECEMBER 2018 and JANUARY 2019**

1% LOT Generated	1% LOT Received	1% LOT Contribution				Expenses		Funds for Contracts
		Sun Valley	Ketchum	Hailey	TOTAL	Communities' Direct Costs	SVASB Administrative Budget	
Fund Balance								207,994.00
Oct-18	Dec-18	33,520.10	154,784.92	6,220.31	194,525.33	-6,356.67	-3,025.00	185,143.66
Nov-18	Jan-19	18,843.27	135,472.58	3,651.68	157,967.53	-6,284.73	-75.00	151,607.80
Dec-18	Feb-19	83,237.35	281,950.71	7,437.28	372,625.34	-6,390.72	-75.00	366,159.62
Jan-19	Mar-19	55,839.88	197,874.24	11,027.33	264,741.45	-6,491.25	-75.00	258,175.20
Feb-19	Apr-19						-75.00	
Mar-19	May-19						-75.00	
Apr-19	Jun-19						-575.00	
May-19	Jul-19						-75.00	
Jun-19	Aug-19						-75.00	
Jul-19	Sep-19						-75.00	
Aug-19	Oct-19						-75.00	
Sep-19	Nov-19						-75.00	
<b>Total</b>		191,440.59	770,082.45	28,336.60	989,859.64	(25,523.37)	(4,350.00)	

			Fly SV Alliance				SVMA			
			<b>Budget</b>	1,300,000				<b>Budget</b>	1,690,000	
			<b>Remaining</b>	901,006		69%		<b>Remaining</b>	919,914	
			<b>% of Available Funds</b>				<b>% of Available Funds</b>			
1% LOT Generated	1% LOT Received	Funds for Contracts	Owed	Funds for Contract	Invoiced Amount	Available Funds	% of Available Funds Owed	Funds for Contract	Invoiced Amount	Available Funds
Fund Balance		207,994.00	7%	14,559.58		14,559.58	93%	193,434.42		193,434.42
Oct-18	Dec-18	185,143.66	40%	74,057.46		88,617.04	60%	111,086.20		304,520.62
Nov-18	Jan-19	151,607.80	40%	60,643.12	149,260.16	0.00	60%	90,964.68	395,485.30	0.00
Dec-18	Feb-19	366,159.62	40%	146,463.85		146,463.85	60%	219,695.77		219,695.77
Jan-19	Mar-19	258,175.20	40%	103,270.08		249,733.93	60%	154,905.12		374,600.90
Feb-19	Apr-19		40%				60%			
Mar-19	May-19		40%				60%			
Apr-19	Jun-19		50%				50%			
May-19	Jul-19		50%				50%			
Jun-19	Aug-19		50%				50%			
Jul-19	Sep-19		50%				50%			
Aug-19	Oct-19		50%				50%			
Sep-19	Nov-19		60%				40%			
<b>Total</b>				398,994.09				770,086.19		

**SUN VALLEY AIR SERVICES BOARD**

**INVOICES TO BE PAID**

**Through March 28, 2019**

Fly Sun Valley Alliance	December 2018 LOT Invoice	\$ 146,463.85
Fly Sun Valley Alliance	January 2019 LOT Invoice	103,270.08
Sun Valley Marketing Alliance	December 2018 LOT Invoice	219,695.77
Sun Valley Marketing Alliance	January 2019 LOT Invoice	154,905.12
Workman & Company	Invoice for 2017 – 2018 Auditing Expense	1,100.00
City of Ketchum	Invoice for Post Office Box Rental	70.00
TOTAL		\$625,504.82



Fly Sun Valley Alliance Inc.

PO Box 6316  
Ketchum, ID 83340

# Invoice

Date	Invoice #
12/31/2018	217

Bill To
Sun Valley Air Service Board Attn: Grant G & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT - Dec 2018 FSVA Contract Services Feb 2019	146,463.85	146,463.85
		<b>Total</b>	\$146,463.85



## **FSVA CONTRACT SERVICES RENDERED TO SVASB – February 2019**

### **AIR SERVICE**

#### **AIR SERVICE DEVELOPMENT**

- Reviewed/monitored/analyzed weekly flight booking reports; monthly reports
- Ongoing research/analysis of seat, enplanements, load factors, fares; for SUN and competitive markets
- Continued strategic planning/analysis regarding future air service opportunities & challenges; continued efforts on development of five-year strategic plan for air service and marketing jointly with FSVA and VSV
- Prepared for airline meetings at March Mead & Hunt Air Service Development Conference
- Worked on development of SUN summer 2019 air service schedule
- Continued to monitor/manage/track SUN diversion busing program
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Continued to provide information to Couloir Consulting for SVASB consulting project; met as necessary
- Provided information to VSV consultant re: situational analysis of competitive air service & marketing
- Worked with VSV and other marketing partners on air service marketing efforts

#### **LOCAL AIR MARKETING/COMMUNITY OUTREACH**

- Provided information via monthly FSVA Enews and social media channels; updated website as needed
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign via local publications
- Created/executed ongoing FSVA local marketing & PR for air service (*print, digital*)
- Attended various community and stakeholder meetings to continue information outreach efforts
- Provided information regarding air service to inquiries from local and other travelers

#### **RESEARCH/OTHER**

- Continued implementation of winter 2018/19 SUN Air Passenger survey, data analysis
- Continued work on compiling/tracking relevant news and comparative data and information of air service



Fly Sun Valley Alliance Inc.

PO Box 6316  
Ketchum, ID 83340

# Invoice

Date	Invoice #
1/31/2019	218

Bill To
Sun Valley Air Service Board Attn: Grant G & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT - Jan 2019 FSVA Contract Services March 2019	103,270.08	103,270.08
		<b>Total</b>	\$103,270.08



## **FSVA CONTRACT SERVICES RENDERED TO SVASB – March 2019**

### **AIR SERVICE**

#### **AIR SERVICE DEVELOPMENT**

- Reviewed/monitored/analyzed weekly flight booking reports; monthly reports
- Ongoing research/analysis of seat, enplanements, load factors, fares; for SUN and competitive markets
- Continued strategic planning/analysis regarding future air service opportunities & challenges; continued efforts on development of five-year strategic plan for air service and marketing jointly with FSVA and VSV
- Met with airline executives to discuss SUN service at March Mead & Hunt Air Service Conference
- Continued work on development of SUN summer 2019 air service schedule
- Continued to monitor/manage/track SUN diversion busing program
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
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#### **RESEARCH/OTHER**

- Continued implementation of winter 2018/19 SUN Air Passenger survey collection; data analysis
- Continued work on compiling/tracking relevant news and comparative data and information of air service



**SUN VALLEY MARKETING ALLIANCE, INC.**

PO Box 4934  
Ketchum, ID 83340 US  
208-726-3423  
Scott@VisitSunValley.com  
www.visitsunvalley.com

**Invoice**



BILL TO
Air Service Board PO Box 3801 Ketchum, ID 83340

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1073	03/20/2019	\$219,695.77	04/19/2019	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
<b>Air Service Board</b> Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing   December 2018	1	219,695.77	219,695.77

Thank you for your continued support.

**BALANCE DUE**

**\$219,695.77**

**SUN VALLEY MARKETING ALLIANCE, INC.**

PO Box 4934  
Ketchum, ID 83340 US  
208-726-3423  
Scott@VisitSunValley.com  
www.visitsunvalley.com

**Invoice**



BILL TO
Air Service Board PO Box 3801 Ketchum, ID 83340

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1075	01/30/2019	\$154,905.12	03/01/2019	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
<b>Air Service Board</b> Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing   January 2019	1	154,905.12	154,905.12

Thank you for your continued support!

**BALANCE DUE**

**\$154,905.12**





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## ASB Update For Jan.- Feb. 2019

### January Updates

- DestiMetrics:
  - Occupancy (paid):
    - September- 43.0 (2018) v. 35.8% (2017) | **20%** increase
    - October- 35.0 (2018) v. 31.6% (2017) | **10.8%** increase
    - November- 24.9% (2018) v. 25.2% (2017) | **1.2%** decrease
    - December- report will be ready this week
  - ADR:
    - September- \$263 (2018) v. \$279 (2017) | **5.9%** decrease
    - October- \$197 (2018) v. \$191 (2017) | **3.2%** increase
    - November- \$151 (2018) v. \$146 (2017) | **3.6%** increase
  - 10 properties reporting- The Best Western Tyrolean Lodge is now participating (will annualize in November of 2019), but Pennay's is no longer participating
- [Facebook](#) fans: 7,255 | October **+278**, November **+341**, December **+319**
- [Instagram](#) followers: 13,700 (**gained 1600** since October)
- [Website](#) sessions for 2018 to [visitsunvalley.com](http://visitsunvalley.com) were down **-22%** compared to 2017. Our session duration or time on site was up **+20%**. Additionally, our organic search traffic is up **+7%**.
- Visit Sun Valley DMO page on [TripAdvisor](#) saw an increase in pageviews of **3%** for October and **16%** for November.
- Winter advertising is in full swing
- The *Fire That Saved Sun Valley* content project is currently being distributed via Outside TV and Teton Gravity Research

### Marketing & Advertising

- Winter advertising is in full swing. Our winter approach once again relies heavily on video content and includes several content partnerships.
  - Video: [Winter Promos](#)
  - Content Partnerships: [New York Times](#), [Freeskier](#), [TGR](#), [VICE](#), [Inkwell](#) & more
  - [The Fire That Saved Sun Valley](#)
- Blogging continues to be a top priority of ours as we move down the consumer funnel by being a resource for inspirational things to do when trip planning and also when the





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visitor is in town. Additionally, we have rolled out a series featuring a variety of “Makers” in the Valley.

## PR

- Working with Fahlgren-Mortine to continually refine our PR strategy for 2018/2019
- Hosted a Fall media mission to Boise in conjunction with the Limelight Hotel & Sun Valley Resort.
- Sent Shea Anderson from Fahlgren-Mortine to LA for desk side visits.
- Assisted in hosting journalist from the Ski Journal & the Fly Fish Journal in conjunction with the Knob Hill Inn
- Working on a joint international media FAM coordinated by the Limelight to bring 27 ski booking agents to the Valley (February 2-7)
- Sun Valley Mentions & Features
  - The New York Times | [Think You Know Sun Valley, Idaho](#)
  - Freeskier Magazine | [The Skier’s Guide to Sun Valley](#)
  - United.com | [7 Winter Wonderlands Around the World](#)
  - Hemisphere’s Magazine | [Après 3 Ways](#)
  - Pure Wow | [7 Direct Flights from Chicago that Will Transport You to Another World](#)
  - Houston Chronicle | [What’s New at North America’s Ski Resorts this Winter](#)
  - Architectural Digest | [The 50 Most Beautiful Small Towns in America](#)

## Social Media

- Continual content building and distribution of Visit Sun Valley Facebook page & Instagram account
- [Internally composed and distributed a variety of blog pieces including:](#)
  - [Best Fireplaces to Cozy-Up to in Sun Valley](#)
  - [Local Beta for Planning Your Ski Trip to Sun Valley](#)
  - [5 Winter Walks for the Family](#)
  - [Planning the Winter Family Trip to Sun Valley](#)
  - [Winter Events in Ketchum & Sun Valley](#)
  - [What We’re Made Of: Courtney Hamilton](#)
  - [What We’re Made Of: Scott Robinson](#)
  - [What We’re Made Of: Mason Family](#)
  - [What We’re Made Of: Andy Gilbert](#)
  - [What We’re Made Of: Nate Sheehan](#)
  - [What We’re Made Of: Molly Snee](#)



## FEBUARAY Updates

- DestiMetrics:
  - Occupancy (paid): December- 37.2% in 2019 v. 32.5% in 2018 (+14.6%)
  - ADR: December - \$363 v. \$378 (-3.8%)
  - 10 properties reporting- The Best Western Tyrolean Lodge is now participating (will annualize in November of 2019) & Pennay's is BACK on!
- [Facebook](#) fans: 7,944 | January +262
- [Instagram](#) followers: 14,100 (gained 400 since January)
- [Website](#) YTD sessions for 2019 to visitsunvalley.com were up +30% compared to 2018. Our session duration or time on site was down -24%. Our organic search traffic is up +31%.
- We do not have Visit Sun Valley DMO TripAdvisor page data for January yet
- The *Fire That Saved Sun Valley* content project continues to receive great earned press via a variety of mediums ranging from [Snowbrains](#) to [Outside Magazine](#)
- The PR momentum keeps rolling with robust stories in top-tier media
- [Outerbike Sun Valley](#) is coming together nicely

## Marketing & Advertising

- We're seeing strong performance on our winter advertising with respect to engagement, view rates and click-through rates.
- While the advertising components are performing well, winter conversion on hotel and airfare booking continue to be a challenge. With these difficulties, we have engaged the lodging properties to put together a [lodging promotion and airfare credit deal](#) that will run through the end of the winter.
- Wrapped up our content and campaign with Freeskier magazine profiling local ski athletes and touching on why they call this place home
- 





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- [Sun Valley Overview](#)
- [Lucy Sackbauer](#)
- [Karl Fostvedt](#)
- [Sun Valley Contest – 29,000 entries!](#)
- Rolled out our winter content partnership with [VICE](#) which allowed us to tell a unique story to a young audience.
- Blogging continues to be a top priority of ours as we move down the consumer funnel by being a resource for inspirational things to do when trip planning and also when the visitor is in town. Additionally, we have continued with our “Makers” series.

## PR

- Working with Fahlgren-Mortine to continually refine our PR strategy for 2018/2019
  - Tackling the air diversion messaging
  - Spring skiing pitches
  - Summer kick-off
- Backbone offered to amplify the pitching for *The Fire That Saved Sun Valley* video project and has been able to secure placement through the following:
  - [Snowbrains](#)
  - [Outside Magazine](#)
  - [Ski Magazine](#)
- Worked in conjunction with the lodging properties to host an international ski agent FAM week in which Visit Sun Valley showed the agents Ketchum’s nightlife.
- Hosted the “[Jet Set](#)” media team
- Assisted Visit Idaho in a backcountry ski experience for influencer [Scott Kranz](#) – Thanks Olin!
- Sun Valley Mentions & Features
  - New York Times | [5 Places to Visit in Ketchum, Idaho](#)
  - Sunset Magazine | [Plan the Perfect Sun Valley Winter Adventure](#)
  - Men’s Journal | [15 Incredible Winter Getaways that Won’t Break the Bank](#)
  - New York Times | [Dark-Sky Tourism: Under the Idaho Sky, a Sense of Belonging](#)
  - Men’s Journal | [The Best Ski Towns to Visit if Half Your Friends Can’t Ski](#)
  - USA Today | [These 10 Amazing Film Festivals Are Worth Traveling For](#)
  - Sunset Magazine | [23 Cozy Winter Lodges](#)





PO Box 4934, Ketchum ID 83340 | **T**- 208 726 3423 1 800 634 3347 **F**- 208 726 4533 | [visitsunvalley.com](http://visitsunvalley.com)

## Social Media

- Continual content building and distribution of Visit Sun Valley Facebook page & Instagram account
- [Internally composed and distributed a variety of blog pieces including:](#)
  - [Go Sledding Sun Valley Style](#)
  - [Welcome to the Argyros Performing Arts Center](#)
  - [Guide to Winter Fat Biking](#)
  - [Baldy Banked Slalom](#)
  - [Getting Hooked on Winter Fly Fishing](#)
  - [Guide to Renting Ski, Snowboard, Nordic and Snowshoe Equipment in Sun Valley](#)
  - [What We're Made Of: Sun Valley Guides Owner – Zach Crist](#)
  - [What We're Made Of: Maude's Coffee & Clothes Owners – Jacob & Tara](#)
  - [Spring Break in Sun Valley](#)
  - [Outerbike Sun Valley](#)



# Workman & Company -AR Account

Office of Accounting  
 2190 Village Park Ave, Ste 300  
 PO Box 2367  
 Twin Falls, ID 83303-2367

# Statement

Date
1/31/2019

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
12/31/2018	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
	0.00	1,100.00	0.00	0.00	0.00	\$1,100.00
	Phone #	Fax #	DENNIS R. BROWN, CPA TWIN FALLS, ID			
	(208)733-1161	(208)733-6100				



# STATEMENT

CITY OF KETCHUM  
P.O. BOX 2315  
KETCHUM ID 83340

Customer No: 438

SUN VALLEY AIR SERVICE BOARD  
BOX 3801  
KETCHUM ID 83340

Statement Date: 2/28/2019

Statement Due Date: 3/15/2019

Date	Ref No	Description	Charge	Credit	Balance
		Beginning Balance			
2/12/2019	3071	Invoice	70.00		70.00

*Mail box = Per. info. Ketchum*

**Balance Due: 70.00**

KETCHUM  
151 4TH ST W  
KETCHUM  
ID

83340-9400  
1547750340  
(800)275-8777

1:26 PM

Product Description	Sale Qty	Final Price
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Box Renewal (Zip Code:83340) (Box #:3801) (Box Size:Size 1 - 3 in x 5.5 in) (Rental Period:Annual) (Rental Start Date:03/01/2019) (Next Renewal Date:02/29/2020) (Customer Name:SANDRA CADY)		\$70.00
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Total		\$70.00
Personal/Bus Check		\$70.00

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YOUR OPINION COUNTS

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

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.

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.

Please disregard this notice if payment has been made.

Thank you.

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Notice 32-B, September 2010 | PSN 7610-03-000-8332

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2018-0917-10

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Return to Local Postmaster



UNITED STATES  
POSTAL SERVICE

Annual  
 Semiannual

\$ \_\_\_\_\_  
Amount

Box # 3801  
SUN VALLEY AIR SERVICE BOARD  
6 Months: \$35.00 12 Months: \$70.00  
Due Date: 02/28/2019  
83340

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Post Office  
Address Here

City, State, ZIP Code  
Ketchum, ID 83340

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POSTAGE WILL BE PAID BY ADDRESSEE  
**PO BOX FEE PAYMENT**  
**POSTMASTER**

# Memo

**To:** Sun Valley Air Service Board  
**From:** Susan E. Robertson, ICMA-CM  
City Administrator, City of Sun Valley  
**Date:** March 28, 2019  
**Re:** Joint Powers Agreement Renewal

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Following passage of the 1% Local Option Tax (LOT) for air service ballot measures, the Cities of Hailey, Ketchum, and Sun Valley and Blaine County entered into a Joint Powers Agreement (JPA) in 2013 which created the Sun Valley Air Service Board and set forth the parameters for the Board's duties and responsibilities associated with passage of the 1% LOT. The language of the JPA provides that the duration of the Board created by the JPA shall last for a period of at least 5 ½ years but that the agreement may be extended for an additional period of time as the parties to the agreement may agree in writing after being adopted by each entity's government body. The exact language may be found Section 9 of the JPA, which is included in your packets.

The Sun Valley Air Service Board began functioning on January 23, 2014 and will hit the 5 ½ year mark on July 23, 2019. The Board needs to determine if it believes the JPA should be extended as it is written and, if so, for how long. Alternatively, the Board may determine that a new agreement is necessary and should identify what changes need to be made. Following those decisions, the Board needs to determine which City's attorney it will use (to be billed to the Board) or if it will use an outside attorney to prepare the extension or new agreement.

**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 5<sup>th</sup> day of September, 2013.

CITY OF KETCHUM

By: [Signature]  
Mayor

Date: 5/09/13

ATTEST:

[Signature: Sandra E. Cadey]  
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]

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Fly Sun Valley Alliance  
Ketchum, Idaho

We have performed the procedures enumerated below, which were agreed to by Fly Sun Valley Alliance and the Sun Valley Air Service Board, on the revenue and expenditures of the 1% Local Option Tax revenue of Fly Sun Valley Alliance for the fiscal years ended September 30, 2017 and 2018. Fly Sun Valley Alliance's management is responsible for expenditures of the 1% Local Option Tax revenue as it relates to their executed contract. The sufficiency of these procedures is solely the responsibility of Fly Sun Valley Alliance and the Sun Valley Air Service Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- 1) We tested the revenue received by Fly Sun Valley Alliance from Sun Valley Air Service Board for the 1% Local Option Tax and compared it to the contracted amount.

All revenue tested from the 1% Local Option Tax was traced to payments from the Air Service Board and were within the contracted amount.

- 2) We tested a sample of the recorded expenditures of the 1% Local Option Tax on the financial statements of Fly Sun Valley Alliance to determine compliance to the contract provisions.

All sampled expenditures were made under the provisions of the contract.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the revenue and expenditures of the 1% Local Option Tax. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Fly Sun Valley Alliance and the Sun Valley Air Service Board and is not intended to be and should not be used by anyone other than those specified parties.

*Workman & Company*

Twin Falls, Idaho

January 31, 2019

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Sun Valley Marketing Alliance  
Ketchum, Idaho

We have performed the procedures enumerated below, which were agreed to by Sun Valley Marketing Alliance and the Sun Valley Air Service Board, on the revenue and expenditures of the 1% Local Option Tax revenue of Sun Valley Marketing Alliance for the 24 months ended September 30, 2018. Sun Valley Marketing Alliance's management is responsible for expenditures of the 1% Local Option Tax revenue as it relates to their executed contract. The sufficiency of these procedures is solely the responsibility of Sun Valley Marketing Alliance and the Sun Valley Air Service Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- 1) We tested the revenue received by Sun Valley Marketing Alliance from Sun Valley Air Service Board for the 1% Local Option Tax and compared it to the contracted amount.

All revenue tested from the 1% Local Option Tax was traced to payments from the Air Service Board and were within the contracted amount.

- 2) We tested a sample of the recorded expenditures of the 1% Local Option Tax on the financial statements of Sun Valley Marketing Alliance to determine compliance to the contract provisions.

All sampled expenditures were made under the provisions of the contract. Although invoices were not specific to the 1% Local Option Tax monies, it was determined that the sample invoices met the parameters of the contract. Management determines an appropriate allocation for the invoices in regards to the 1% Local Option Tax money and their other marketing contracts and apply that allocation to the marketing projects.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the revenue and expenditures of the 1% Local Option Tax. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Sun Valley Marketing Alliance and the Sun Valley Air Service Board and is not intended to be and should not be used by anyone other than those specified parties.

*Workman & Company*

Twin Falls, Idaho

January 31, 2019