

**SUN VALLEY
AIR SERVICE BOARD**
.....

January 23, 2014

2-4 pm

Hailey City Hall

115 Main Street South, Hailey Idaho

1. Welcome and Introductions	2:00	
2. Purpose of Air Service Board	2:05	(Tab 1)
3. Review of Draft Bylaws and Election of Officers	2:20	(Tab 2)
4. Review of 2014 Revenue Projections and Draft Budget	2:50	(Tab 3)
5. Administrative Discussion/Action (Meeting Schedule, Staff Roles, Budget, Website, Insurance)	3:05	(Tab 4)
6. BREAK	3:25	
7. Presentations by Air Service and Marketing Organizations (Power Points: 15 minutes each FSVa and SVMA)	3:30	
8. Adjourn	4:00	

Note: Binders also include the Joint Powers Agreement, Ballot language and other background materials.

SUN VALLEY AIR SERVICE BOARD

.....

OVERVIEW

I. CREATION

Blaine County and the cities of Hailey, Ketchum and Sun Valley signed a Joint Powers Agreement in 2012 and 2013, establishing the "Sun Valley Air Service Board" (Air Service Board).

II. MEMBERSHIP

- A. 1 voting member from the cities of Hailey, Ketchum and Sun Valley (Mayors Hammerle, Jonas and Briscoe)
- B. 1 nonvoting member from Blaine County (Commissioner Schoen)
- C. Term of Office: 1 year, effective Jan 1, 2014
 - i. Each of the Parties established its own Board member qualification criteria.
 - ii. 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.
 - iii. 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.
 - iv. Members of the Board shall serve without compensation.

III. ORGANIZATION & ADMINISTRATION

- A. 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.
- B. 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.
- C. 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.
- D. The Board will have 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.

IV. RESPONSIBILITIES OF AIR SERVICE BOARD MEMBERS

- A. Adhere to and operate legally as a public board under the Idaho Open Meetings Law rules.
- B. Exercise fiduciary responsibility for proper financial management of public funds according to City Party directives within the context of the allowed uses of the 1% LOT as outlined in the Ballot Measure.
- C. Acquire and maintain requisite knowledge on air service and related marketing economic issues and impacts, strategic opportunities and challenges.
- D. Review and approve Contracts for Services, including Scope of Work, performance metrics and reporting requirements with independent parties to provide strategic air service development and air service marketing services.
- E. Review periodic (quarterly/biannual) progress reports from contractors regarding contract execution and performance results.

BYLAWS FOR THE SUN VALLEY AIR SERVICE BOARD

ARTICLE I PURPOSE

These Bylaws provide direction to the members of the Sun Valley Air Service Board (“Board”) in the performance of their duties pursuant to the Joint Powers Agreement Establishing the Sun Valley Air Service Board to Retain, Improve and Develop Commercial Air Transportation Services at Friedman Memorial Airport (“Joint Powers Agreement”).

ARTICLE II MEMBERS

2.1 Appointment and Number of Members.

The Board shall consist of no more than three (3) voting members. One member shall be appointed by the Mayor of Ketchum and approved by the Ketchum City Council. One member shall be appointed by the Mayor of Sun Valley and approved by the Sun Valley City Council. One member shall be appointed by the Mayor of Hailey and approved by the Hailey City Council. The Board shall also include a non-voting member selected by the Blaine County Board of County Commissioners.

2.2 Terms, Vacancies and Removal.

Each member of the Board shall serve for a term of one (1) year.

Vacancies occurring other than through the expiration of appointed terms shall be filled for the remainder of the term by the entity who appointed the board member. The terms shall be filled in the same manner as original appointments, but replacements shall serve only until the expiration of the original term. Members proposing to resign shall give reasonable notice of such intent to the Chair, stating the effective date of resignation.

Removal of any member may only be made by the party that appointed such Board member.

ARTICLE III OFFICERS, COMMITTEES, STAFF AND DUTIES

3.1 Regular Election of Officers

Annually, as the first item of business at the first regular meeting of the Board at which a quorum is present, the Board shall elect a Chair, Vice-Chair and Secretary/Treasurer. The Secretary/Treasurer shall be a voting member.

3.2 Succession of Vice Chair to Office of Chair.

Should the Chair resign or be removed, the Vice Chair shall succeed to the office for the remainder of the original one year term. Should the Vice Chair resign, be removed, or succeed to the office of Chair, an election shall be held at the next regular meeting of the Board to fill the vacancy of the Vice Chair until the expiration of the original one-year term. Such an election shall occur at the next regularly scheduled meeting of the Board at which a quorum is available.

3.3 Duties of the Chair and Vice Chair; Appointment of Temporary Chair to Preside at Meetings.

The Chair shall preside at all meetings and hearings and shall execute all contracts and checks approved by the Board. If the Chair is absent or unable to preside, the Vice Chair shall perform the duties of the Chair. If both are absent or unable to preside, the members present shall elect from among their number a Temporary Chair to perform the duties of the Chair. The Temporary Chair shall abide by all rules and policies set forth herein.

The Chair shall maintain order and conduct the meeting with the procedures described in Article VI of these Bylaws.

The Chair shall set the agenda for each meeting. The agenda will generally include issues scheduled for review by the Board.

3.4 Duties of Secretary/Treasurer.

The Secretary/Treasurer shall keep the minutes of Board meetings and sign the minutes when approved by the Board. The preparation and retention of the minutes may be delegated to appropriate staff from the cities. The Secretary/Treasurer shall have charge and custody of and be responsible for all funds received by the Board and shall deposit all such monies in such places or places of deposit described in Idaho Code § 50-1013 and as approved by the Board. The Secretary/Treasurer, along with the Chair, shall sign all checks approved by the Board.

3.5 Appointment of Committees.

The Chair with the consent of the Board may appoint standing or *ad hoc* committees as may be found necessary to successfully and efficiently carry out the functions of the Board.

**ARTICLE IV
CONDUCT OF BOARD MEMBERS**

4.1 Conflict of Interest.

Any member of the Board shall not be appointed or remain a member of the Board if the member or a person in the member's household is an employee, director, shareholder, partner, owner and has any financial interest in any business, company or entity which the Board has employed or contracted with to provide equipment or services.

**ARTICLE V
MEETINGS**

5.1 Meetings.

Meetings of the Board will be held at such time and place as is established by the Board. Notice of meetings and agenda notices shall be posted in accordance with Idaho Code § 67-2343, as amended.

5.2 Open to the Public.

All meetings of the Board are open to the public, unless otherwise provided in Idaho Code § 67-2345, as amended.

5.3 Cancellation.

If no business is scheduled before the Board, or if it is apparent that a quorum of the Board will not be available, the Chair may cancel any meeting by giving notice to all members and presenters not less than 48 hours before time set for such meeting.

5.4 Quorum.

A quorum of the Board shall consist of a simple majority of voting members. As a non-voting member, the Blaine County member shall not be considered a member for quorum purposes. An affirmative vote of a simple majority of the present members of the Board shall decide all matters under consideration. The Chair may vote on all matters.

5.5 Agenda, Order of Business.

The Chair shall prepare an agenda for each Board meeting. Order of business shall be as follows:

1. Call to Order
2. Approval of Minutes
3. Old Business
4. New Business
5. Reports
6. Adjourn

5.6 Records of Proceedings.

Each meeting of the Board shall be recorded and minutes shall be made, which shall be approved at subsequent meetings of the Board.

**ARTICLE VI
MEETING PROCEDURES**

6.1 Voting.

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 the 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.

6.2 Annual Allocation of Voting Rights.

The allocation of voting rights shall be determined on an annual basis beginning in January 2014, and continuing each and every January thereafter. Ninety percent (90%) of the voting rights shall be allocated to the voting members based on their respective prior fiscal year annual 1% LOT contributions to the Board. The allocation shall use each city's year ending September 30 total fiscal year actual LOT revenue collection on taxable sales described in the each city's ballot question approved by each city's electorate. As set forth in the Joint Powers Agreement, the remaining ten percent (10%) of the voting rights shall be allocated to Hailey. For calendar year 2014, the voting rights shall be 49.86% for Ketchum, 35.10% for Sun Valley and 15.04 for Hailey. Voting rights for 2014 were calculated and for future calendar years shall be calculated as follows:

Total LOT collected in FY13

Ketchum	\$1,774,378
Sun Valley	\$1,248,522
Hailey*	\$ 180,385
Total	\$3,203,285

* (collected on lodging and car rentals)

Percent of total LOT collected

Ketchum	55.4%
Sun Valley	39.0%
<u>Hailey</u>	<u>5.6%</u>
Total	100%

Each city's percentage of total LOT multiplied by 90%

Ketchum	$(.554 \times .9) = 49.86\%$
Sun Valley	$(.390 \times .9) = 35.10\%$
<u>Hailey</u>	<u>$(.056 \times .9) = 5.04\%$</u>
Total	90.00%

Each city's voting rights (add 10% to Hailey's rights)

Ketchum	49.86%
Sun Valley	35.10%
<u>Hailey</u>	<u>$5.1\% + 10\% = 15.04\%$</u>
Total	100.00%

6.3 Motions.

- a. All actions and decisions of the Board are formalized by the process of making and voting on motions. After deliberation, a motion shall be made and seconded. Further deliberation may occur once a motion is made and seconded. The Chair shall ask for a motion and vote. Those members in favor of the motion say "aye"; those members opposed to the motion say "no".
- b. After a motion is made and there has been discussion on the motion, if an amendment has been suggested and discussed, then a motion to amend the motion is required. A motion should be amended as follows:
 1. A member makes a motion to amend stating the amendment.
 2. A member seconds the amendment.
 3. The Chair asks for a vote on the amendment.
 4. If amendment carries, the Chair then asks for a vote on the "entire motion as amended."
 5. If amendment fails, the Chair asks for a vote on the "original motion."
- c. If a motion has been voted on and the motion needs to be withdrawn, then a motion to withdraw the approved motion is required. A motion should be withdrawn as follows:
 1. A member makes a motion to withdraw stating what motion is being withdrawn.
 2. A member seconds the motion to withdraw.

3. The Chair asks for a vote on the motion to withdraw.
4. If the motion to withdraw carries, then a new motion can then be made, seconded and voted on.

d. If a motion has been voted on and if voting members believe it is appropriate to reconsider the motion, then a motion for reconsideration is required at the next scheduled meeting of the Board. A motion for reconsideration should be made as follows:

1. A member who voted on the prevailing side of the motion in question has to make a motion for reconsideration stating what motion is being reconsidered.
2. A member who voted on the prevailing side of the motion in question has to second.
3. The Chair asks for a vote on the motion for reconsideration.
4. If the motion for reconsideration carries, deliberation can then occur on the matter and a new motion can be made, seconded and voted on.

6.3 Roberts Rules of Order.

Robert's Rules of Order shall govern all other procedures and conduct at a meeting of the Board.

ARTICLE VII BUDGETING

7.1 Fiscal Year and Budget.

The fiscal year of the Board shall commence on October 1. The Board shall annually adopt a budget consistent with the Joint Powers Agreement.

ARTICLE VIII AMENDMENT OF BYLAWS

8.1 Amending Bylaws.

The Bylaws may be amended from time to time by a majority vote of the voting members. The Bylaws may be amended so as not to be inconsistent with or contrary to the Joint Powers Agreement or any applicable local, state or federal law.

The foregoing Bylaws were adopted by motion of the Board of Directors on the ____ day of _____, 2014.

By: _____
Chair

ATTEST:

By: _____
Secretary

Estimated CASH FLOW of 1% LOT for 2014 (January -Sept revenues and receipt of funds)

GENERATED	RCVD	Sun Valley	Ketchum	Hailey	TOTAL
JAN	MAR	31,923	\$225,511	\$6,538	\$263,972
FEB	APR	37,760	\$141,886	\$4,423	\$184,069
MAR	MAY	37,733	\$145,532	\$4,917	\$188,182
APR	JUN	12,951	\$139,282	\$2,484	\$154,717
MAY	JUL	14,724	\$73,972	\$2,261	\$90,957
JUN	AUG	32,989	\$75,554	\$4,165	\$112,708
JUL	SEP	76,315	\$114,560	\$10,947	\$201,822
AUG	OCT	56,239	\$175,691	\$10,438	\$242,368
SEP	NOV	40,777	\$166,278	\$4,886	\$211,941
DIR COSTS		-\$5,326	-\$66,829	-\$1,432	-\$73,587
Total		\$336,085	\$1,191,437	\$49,627	\$1,577,149

Estimated CASH FLOW of 1% LOT for 2014 (October - September revenues and receipt of funds)

SUN VALLEY	BEDS 3%	BEDS 1%	LIQUOR 3%	LIQUOR 1%	LIQUOR 2.5%	RETAIL 1%	TOTAL 3%	TOTAL 1%
OCT	21,712	7,237	4,112	1,371	30,436	10,145	56,260	18,753
NOV	13,014	4,338	2,804	935	25,537	8,512	41,355	13,785
DEC	46,347	15,449	9,167	3,056	71,156	23,719	126,671	42,223
JAN	41,194	13,731	6,830	2,277	47,746	15,915	95,770	31,923
FEB	54,235	18,078	7,479	2,493	51,566	17,189	133,281	37,760
MAR	52,824	17,608	6,946	2,315	53,430	17,810	113,200	37,733
APR	9,715	3,238	1,837	612	27,301	9,100	38,852	12,951
MAY	9,152	3,051	3,142	1,047	31,877	10,626	44,172	14,724
JUN	36,811	12,270	4,273	1,424	57,884	19,295	98,969	32,989
JUL	96,446	32,149	10,520	3,507	121,980	40,660	228,946	76,315
AUG	70,471	23,490	4,336	1,445	93,909	31,303	168,716	56,239
SEPT	45,171	15,057	2,381	794	74,778	24,926	122,330	40,777
Total	497,092	165,697	63,827	21,276	687,600	229,200	1,268,522	416,173

KETCHUM	BEDS 2%	BEDS 1%	LIQUOR 2%	LIQUOR 1%	LIQUOR 2.5%	RETAIL 1%	TOTAL	TOTAL 1%
OCT	12,470	6,235	15,718	7,859	113,339	113,339	167,307	153,213
NOV	7,386	3,693	11,881	5,941	62,387	62,387	98,501	88,869
DEC	3,568	1,784	9,686	4,843	63,831	63,831	93,166	86,538
JAN	22,499	11,250	23,949	11,975	178,271	178,271	248,733	225,511
FEB	16,776	8,388	21,499	10,750	103,788	103,788	161,022	141,886
MAR	15,622	7,811	21,913	10,957	112,535	112,535	164,300	145,532
APR	15,645	7,822	23,841	11,921	103,971	103,971	159,025	139,282
MAY	6,472	3,236	10,811	5,406	51,231	51,231	82,613	73,972
JUNE	4,148	2,074	10,129	5,065	49,178	49,178	82,691	75,554
JULY	11,796	5,898	14,859	7,430	74,734	74,734	127,887	114,560
AUG	28,462	14,231	23,462	11,731	129,499	129,499	201,652	175,691
SEPT	21,031	10,515	21,372	10,686	125,309	125,309	187,481	166,278
Total YTD	165,875	82,937	209,120	104,560	1,168,073	1,168,073	1,774,378	1,586,882

HAILEY	BED/CAR3%	BED/CAR1%	TOTAL	TOTAL 1%
OCT	10,989	3,663	10,898	3,633
NOV	5,680	1,893	5,680	1,893
DEC	9,850	3,283	9,849	3,283
JAN	19,616	6,539	19,615	6,538
FEB	13,269	4,423	13,268	4,423
MARCH	14,752	4,917	14,751	4,917
APRIL	7,451	2,484	7,451	2,484
MAY	6,783	2,261	6,783	2,261
JUNE	12,495	4,165	12,494	4,165
JULY	32,995	10,998	32,842	10,947
AUG	29,520	9,840	31,315	10,438
SEPT	16,985	5,662	14,659	4,886
TOTAL YTD	180,385	60,128	179,605	59,868
			TOTAL FY	\$2,062,923

SUN VALLEY AIR SERVICE BOARD BUDGET - DRAFT 1/16/14

	2011	2012	2013	2013	2014	+/-	% CHANGE
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	PROPOSED	2013/2014	2013/2014
					BUDGET		
REVENUES							
10-xxxxx	0	0	0	0	49,627	49,627	n/a
10-xxxxx	0	0	0	0	1,191,437	1,191,437	n/a
10-xxxxx	0	0	0	0	336,085	336,085	n/a
10-xxxxx	0	0	0	0	700	700	n/a
10-xxxxx	0	0	0	0	0	0	n/a
24-49300	0	0	0	0	0	0	n/a
TOTAL REVENUE	0	0	0	0	1,577,849	1,577,849	n/a
EXPENDITURES							
10-xxxxx	0	0	0	0	1,485,000	1,485,000	n/a
10-xxxxx	0	0	0	0	1,000	1,000	n/a
10-xxxxx	0	0	0	0	2,500	2,500	n/a
10-xxxxx	0	0	0	0	5,000	5,000	n/a
10-xxxxx	0	0	0	0	1,000	1,000	n/a
10-xxxxx	0	0	0	0	1,000	1,000	n/a
10-xxxxx	0	0	0	0	1,000	1,000	n/a
10-xxxxx	0	0	0	0	81,349	81,349	n/a
TOTAL INSPECTION OPERATING	0	0	0	0	1,577,849	1,577,849	n/a
BEGINNING FUND BALANCE	0			0	0		
ENDING FUND BALANCE				0	81,349		

**MOORE SMITH BUXTON & TURCKE,
CHARTERED**

ATTORNEYS AT LAW
BANNER BANK BUILDING
950 W. BANNOCK STREET, SUITE 520, BOISE, ID 83702
TELEPHONE: (208) 331-1800 FAX: (208) 331-1202

MEMORANDUM

TO: City of Ketchum

FROM: Stephanie J. Bonney

DATE: December 13, 2013

RE: Professional services contract for Sun Valley Air Service Board

The City asked whether the Sun Valley Air Service Board ("Board") was required to advertise and/or competitively bid in order to contract with an independent contractor for professional services for the purpose of retaining, improving, and/or developing commercial air transportation services to Friedman Memorial Airport.

The Board is not required to advertise or bid for the services as Idaho Code 67-2803(4) explicitly provides that the procurement of professional services to be performed by an independent contractor is exempt from procurement requirements.

SAMPLE BALLOT

A	BLAINE COUNTY	B	STATE OF IDAHO	C	NOVEMBER 5, 2013
---	---------------	---	----------------	---	------------------

INSTRUCTIONS TO VOTER

To vote, fill in the oval (●) next to the candidate of your choice.

To vote a "Write-in", fill in the oval next to the blank write-in line and write the name of your choice on the blank write-in line.

If you make a mistake, request a new ballot from an election worker.

CANDIDATES FOR CITY OF KETCHUM	SPECIAL NON PROPERTY TAX ELECTION
<p>KETCHUM MAYOR Four Year Term Vote for One</p> <p><input type="radio"/> Randy C. Hall</p> <p><input type="radio"/> Nina Jonas</p> <p><input type="radio"/> _____ (Write-in)</p>	<p align="center">SPECIAL NON PROPERTY TAX ELECTION CITY OF KETCHUM STATE OF IDAHO</p> <p>QUESTION: Shall the City of Ketchum, Idaho (the "City") adopt Ordinance No. 1108, which shall provide for the imposition and collection of, for a period of five (5) years from its effective date of January 1, 2014, certain local-option nonproperty taxes to raise the current rates of LOT as follows:</p> <p>(A) An additional one percent (1%) food and beverage tax on the sale price on all sales transactions described: as furnishing, preparing, or service food, meals, or drinks and nondepreciable goods and services directly consumed by customers included in the charge thereof.</p> <p>(B) An additional one percent (1%) tax on the sales price of the following sales: the lease or rental of tangible personal property; any sale, regardless where generated, for admission to a place for an event taking place within the City of Ketchum; any sale, regardless where generated, for the use of the privilege of using tangible personal property or facilities for recreation in the City of Ketchum.</p> <p>(C) An additional one percent (1%) tax on the sale price of all remaining tangible personal property not described in (B) above.</p> <p>(D) An additional one percent (1%) tax on the sale of all ski lift tickets and season ski passes.</p> <p>(E) An additional one percent (1%) hotel motel room occupancy sales tax on receipts from all short term rental (30 days or less) charges for hotel rooms, motel rooms, condominium units, tourist homes or other sleeping accommodations or living unit.</p> <p>(F) An additional one percent (1%) liquor by the drink sales tax on all sales at retail of liquor by the drink, including liquor, beer, wine and all other alcoholic beverages, for consumption on the premises or at an event or activity in the City of Ketchum.</p> <p>(1) The purposes for which the revenues derived from the additional one percent (1%) of each of said taxes shall be used, pursuant to a joint powers agreement, are as follows:</p> <p>a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees 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 bussing due to flight diversion(s); and d) direct costs to collect and enforce the tax, including administrative and legal fees.</p> <p>All as provided in Ordinance No. 1108 adopted by the Council of the City on July 15, 2013.</p> <p><input type="radio"/> IN FAVOR</p> <p><input type="radio"/> AGAINST</p>
<p>KETCHUM CITY COUNCIL Four Year Term Vote for Two</p> <p><input type="radio"/> Amanda Breen</p> <p><input type="radio"/> Deborah "Burnsie" Burns</p> <p><input type="radio"/> Anne Corrock</p> <p><input type="radio"/> Mick Garcia</p> <p><input type="radio"/> Baird Gourlay</p> <p><input type="radio"/> Aaron Pearson</p> <p><input type="radio"/> Brennan Rego</p> <p><input type="radio"/> _____ (Write-in)</p> <p><input type="radio"/> _____ (Write-in)</p>	

7.4.2.0 / 012503-14 © Election Systems & Software, Inc. 1981, 2002

OFFICIAL STAMP BOX

NOTE: The order of the candidates on this sample ballot may not necessarily reflect the rotation in your precinct on election day.

SAMPLE BALLOT
BLAINE COUNTY, IDAHO
NOVEMBER 5, 2013

SPECIAL NON PROPERTY TAX ELECTION

CITY OF HAILEY
STATE OF IDAHO

November 5, 2013

QUESTION: Shall the City of Hailey, Idaho adopt Ordinance No. 1133, to provide for the imposition and collection of, for a period of five (5) years from its effective date of January 1, 2014, certain non-property taxes to raise the current rates of local option taxes (LOT), as follows:

(A) **An additional one percent (1%) tax on the total amount charged for rental use or temporary occupancy of a room or living unit in a hotel or motel.**

(B) **An additional one percent (1%) tax on the total amount charged for rental use of a rental vehicle.**

The purposes for which the revenues derived from the additional one percent (1%) of each of said taxes shall be used, pursuant to a joint powers agreement, are as follows:

a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees 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.

all as provided in Ordinance No. 1133 approved by the Hailey City Council on August 26, 2013?

IN FAVOR	→	<input type="checkbox"/>
AGAINST	→	<input type="checkbox"/>

SPECIAL NON-PROPERTY TAX BALLOT
CITY OF SUN VALLEY, STATE OF IDAHO
November 6, 2012

QUESTION: Shall the City of Sun Valley, Idaho (the "City") adopt Ordinance No. 456, which, for a period of five (5) years from its effective date of January 1, 2013, shall provide for the imposition and collection of certain non-property taxes to raise the current rates of Local Option Tax as follows:

- (A) **An additional one percent (1%)** food and beverage tax on the sales price on all sales transactions described: as furnishing, preparing, or serving food, meals, or drinks and nondepreciable goods and services directly consumed by customers included in the charge thereof.
- (B) **An additional one percent (1%)** tax on the sales price of the following sales: admission to a place or for an event in the City of Sun Valley; the use of or the privilege of using tangible personal property or facilities for recreation, including golf membership and fees, but not ski lift facilities; providing hotel, motel, campground, or trailer court accommodations, nondepreciable goods directly consumed by customers and included services, except where residence is maintained continuously under the terms of a lease of similar agreement for a period in excess of thirty (30) days; the lease or rental of tangible personal property; the interstate transportation for hire by air of freight or passenger, except (1) as part of a regularly scheduled flight by a certified air carrier, under authority of the United States, or (2) when providing air ambulance services; any sale, regardless where generated, for admission to a place for an event taking place within the City of Sun Valley; any sale, regardless where generated, for the use of or the privilege of using tangible personal property or facilities for recreation within the City of Sun Valley.
- (C) **An additional one percent (1%)** tax on the sales price of all remaining tangible personal property not described in (B) above.
- (D) **An additional one percent (1%)** tax on the sale of all ski lift tickets and season ski passes.
- (E) **An additional one percent (1%)** hotel-motel room occupancy sales tax on receipts from all short term rental (30 days or less) charges for hotel rooms, motel rooms, condominium units, tourist homes or other sleeping accommodations or living unit.
- (F) **An additional one percent (1%)** liquor-by-the-drink sales tax on all sales at retail of liquor-by-the-drink, including liquor, beer, wine and all other alcoholic beverages, for consumption on the premises or at an event or activity in the City of Sun Valley.
- (G) **The purposes** for which the revenues derived from the additional one percent (1%) of each of said taxes shall be used, pursuant to a joint powers agreement, are as follows: a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees 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.
- (H) **Collection of Local Option Tax Conditional on Ketchum's Passage of Similar Measure.** In the event the City of Ketchum voters fail to pass a ballot measure to collect certain non-property taxes in similar amounts and type to those listed in (A) through (F) above for the purposes generally described in (G), the Sun Valley City Council shall either (1) Delay collection of the tax set forth herein until a similar ballot measure passes in Ketchum; or (2) Repeal the Ordinance referenced herein.

IN FAVOR	→ <input style="width: 50px; height: 20px;" type="checkbox"/>
AGAINST	→ <input style="width: 50px; height: 20px;" type="checkbox"/>

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

_____, 2013

This Agreement (“Agreement”), made and entered into on _____, 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;”

W I T N E S S E T H:

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: _____

Mayor

Date: _____

5/09/13

ATTEST:

Sandra E. Casey
City Clerk



CITY OF SUN VALLEY

By: Raymond Brown
Mayor

Date: 8/28/13

ATTEST:

Amy Gault
City Clerk

CITY OF HAILEY

By: *[Signature]*
Mayor

Date: 8/27/13

ATTEST:

[Signature]
City Clerk

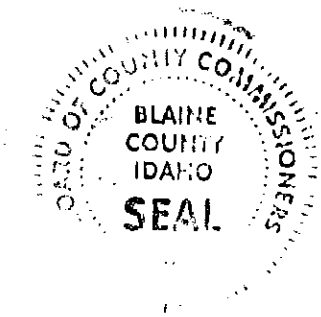


BLAINE COUNTY COMMISSIONERS

By: *Angela McCarty*
Date: 10/1/13

By: *[Signature]*
Date: 10/1/2013

By: *[Signature]*
Date: 10.1.13



ATTEST:

Estie Londo