

Sun Valley Air Service Board  
Meeting Minutes  
January 23, 2014  
Hailey City Hall Meeting Room 2-4 pm

Present: Dewayne Briscoe – Mayor, City of Sun Valley  
Fritz Haemmerle – Mayor, City of Hailey  
Nina Jonas – Mayor, City of Ketchum  
Larry Schoen – Blaine County Commissioner

Absent:

Staff Present: Ketchum – Lisa Horowitz  
Sun Valley – Susan Robertson  
Hailey – Heather Dawson

1) *Welcome and Introductions:*

2:04:00 PM The meeting was called to order by Hailey Mayor Fritz Haemmerle.

2) *Purpose of Air Service Board*

2:04:30 PM Lisa Horowitz opened with a Powerpoint presentation. Horowitz gave a brief overview of the board including functions and duties of the board.

2:08:41 PM marketing timeline over the next few months

3) *Review of Draft Bylaws and Election of Officers*

2:09:12 PM Review of bylaws and election of chair. Jonas has no comments re: the bylaws.

2:09:40 PM Dewayne Briscoe gives some comments regarding 3.3

Mayor Haemmerle asked Mayor Briscoe to give his suggested bylaws changes to staff and asked staff to present them at the next board meeting.

2:11:06 PM Haemmerle addresses broader issues, non-voting board member, Larry Schoen does not expect to fill an officer position on the board. After some conversation, the board agrees to rotate officer rolls every year, progression of duties and maybe elect positions after that.

2:13:59 PM Jonas nominates Briscoe as chairman, motion seconded by Haemmerle, motion unanimous with roll call vote.

2:15:04 PM Briscoe nominates Haemmerle as vice-chairman, motion seconded by Jonas.  
Motion unanimous with roll call vote.

2:15:22 PM Haemmerle nominates Jonas as Secretary/Treasurer, seconded by Briscoe,  
motion unanimous with roll call vote.

#### 4) Review of 2014 Revenue Projections and Draft Budget

2:15:57 PM Susan Robertson, Sun Valley City Administrator spoke to the board. Robertson reported that as a starting point, the team gathered all cities existing cash flow to project future cash flow, and can expect 1.5 million revenue from the 1% Local Option Tax increase during this first year. All entities have looked at the costs associated with support, expect \$73,000 initially. Likely this expense will fluctuate over time. Robertson then presented the draft for the remainder of FY 2014. Total draft budget is \$1,577,849 for contracts for services take up the largest portion of this budget at \$1,485,000. Robertson added that the board would need to open a bank account (likely realize monthly fees) and obtain insurance from ICRMP. \$81,349 would be the fund balance for next year's budget.

2:24:42 PM Larry Schoen expressed concern that the expense budget anticipates revenues that are not collected during the fiscal year in light of the fact that the Air Service Board begins with a zero balance. Robertson responds to Schoen's question, saying revenue receivables are shown in the year they are earned. In this case, goal is to have a positive cash balance after the audit.

#### 5) Administrative Discussion/Action

*(Meeting Schedules, Staff Roles, Budget, Website, Insurance)*

2:28:33 PM Next meeting date is Thursday February 13<sup>th</sup>, 2014 from 2-4 pm at Hailey City Hall, 115 Main Street South. Board discussed rotating sites to share in the minutes taking and administration. Both Ketchum and Sun Valley have offered to host future meetings.

2:31:59 PM Lisa Horowitz asks if the board has any questions.

Jonas asked a question about legal fees. Robertson explained how the cities plan to use rotating staff assignments except in large legal matters. Haemmerle proposed that a 3<sup>rd</sup> party attorney be solicited by way of RFQ, then select from that process.

2:36:14 PM Robertson passed out a document, re: insurance from Idaho Counties Risk Management Program (ICRMP) for this group. The board reviewed the document as Robertson explained its contents. This is a general insurance provision package, cost is \$1,000 for the first year. Approx. cost for 2014 year would be prorated at \$700.

2:39:23 PM Larry Schoen voices his concern over the risk policy. Blaine County is concerned about incurring risk but without a vote.

Haemmerle suggests that everyone get a copy of the proposed insurance policy and for the cities and county to review for completeness. Then all will review it for the next meeting.

2:42:39 PM Lisa Horowitz gave ideas on website, will give the board a proposal at next meeting.

2:45:07 PM Budget overview provided by Robertson earlier in this meeting. Robertson asks the board if they want to make any revisions to the budget. Rule of thumb is a 10% fund balance, but there are no employees in this structure, so there is a potential for less fund balance.

2:47:28 PM Haemmerle gives his thoughts, spend the money wisely, don't spend it and hope that they will come. Anticipate \$260,000 in March, proceeds from January 2014.

Schoen gives his thoughts on spending the money, his concern is the cash flow, we won't have 1.5 million in the bank by the end of the fiscal year. In the first year, we will be waiting for the funds.

2:53:30 PM Haemmerle is in agreement with Schoen, we pay as we go, don't spend what we don't have yet.

Robertson talks to these comments. We have to set contracts and will have funds in the bank, enough to make contracts in June.

2:55:29 PM Jonas suggests a quarterly contract as a compromise. Haemmerle clarifies his comment, we have the state fiduciary responsibility to spend only the funds that we have.

Robertson would like the board to adopt a prelim budget. Then discussion ensues on whether or not the budget should have been noticed as a Public Hearing.

2:57:35 PM Haemmerle moves to approve the tentative budget, motion seconded by Jonas.

Susan Robertson asked if the board needs to publish this as a public hearing item. After some discussion, board decided to set item as public hearing for next meeting.

**Public comments:**

2:59:28 PM Dick Fenton thinks the contracts / budget concerns discussed by the board tonight can be addressed within each contract.

After staff comments the board decides to withdraw motion. Haemmerle withdraws motion to approve budget and consider at next meeting, Jonas withdraws her second. Motion passes with roll call vote.

3:01:40 PM Horowitz asked about the process around contracts for services, asks for the boards input.

Haemmerle thinks it should be an open bidding process, Jonas concurs. Schoen asks what the criteria is that they will. Horowitz suggests a limited scope of service contract given the limited time before summer to get contracts in place.

6) 3:05:46 PM break

3:14:55 PM reconvene meeting by Briscoe

7) *Presentations by Air Service and Marketing Organizations*

3:15:22 PM Carol Waller, with the Fly Sun Valley Alliance (FSVA) gave a presentation to the Air Service Board. Waller gives an overview of the FSVA board, including negotiating contracts and fares. FSVA also provides support to the airlines to ensure customers have good experiences, new development, research, and fundraising. Waller then gave some milestones achieved by the FSVA, LA air service began because of getting a grant in 2002. Sun Valley is tied at the bottom with Gunnison/Crested Butte, CO. at 4 non-stop flights into our area – need to increase the number of non-stop flights. Waller talks about peers and load rate, we are running similar load rates at similar markets, good news. In peak travel times, load rate is 80-85%.

3:28:27 PM Haemmerle asks what the letters of credit are. Airlines ask for part of the cash, Minimum Revenue Guarantees (MRG) funds up front.

Schoen wonders if the air service board can pick up the letters of credit in the future. Haemmerle reminds the board that public funds cannot be used for letters of credit.

3:31:27 PM Briscoe asks a question about busing and diverting flights in bad weather. Briscoe thinks airlines should advertise positively for diversions.

Next presentation from:

3:35:40 PM Arlene Schieven, Sun Valley Marketing Alliance (SVMA) President presents to board. The SVMA spun out of the dissolution of the Sun Valley Chamber of Commerce. SVMA sole purpose is external advertising, bringing people to the area. Target markets, LA, San Francisco and Seattle. SVMA pulled out of the Boise area for marketing to add the San Francisco market. Schieven discussed the SVMA marketing strategy, its membership, functions

and campaign development process. Schieven covered performance tracking, 2 years ago Washington and California visitors were polled 6% of WA visitors said they would think about traveling to Sun Valley for skiing, only 1% for Californians. Next year, campaign will focus on "Seek." As a close, Schieven shows the Summer 2013 campaign ads.

3:54:31 PM Schoen believes in and supports this organization.

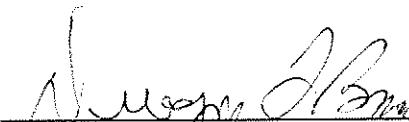
3:55:05 PM Haemmerle, asked a question regarding marketing flights and general marketing. Schieven answers the question, and explains the marketing campaign with details, 2 hours away, ski and hotel rates in same ad seem to work.

3:57:35 PM Briscoe asks how funds from this board will be used in SVMA. Schieven explains their goal. Briscoe announced a sub-committee in February between the cities to find an equitable way to fund SVMA.


4:00:05 PM Schoen as a commissioner and member of the Community Drug Coalition Board, asks Schieven and the SVMA to minimize marketing using alcohol. And then asks, if there are additional funds, is New York a marketing target?

8) *Adjourn*

4:02:25 PM Haemmerle moves to adjourn, seconded by Jonas. Motion passed with roll call vote.

  
\_\_\_\_\_  
Dewayne Briscoe, Chairman

ATTEST:

  
\_\_\_\_\_  
Nina Jonas, Secretary/Treasurer