

**Sun Valley Air Service Board
Meeting Minutes
September 19, 2018
Hailey City Hall Meeting Room 2 pm**

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

Absent: Larry Schoen – Blaine County Commissioner

Staff Present: Sun Valley – Susan Robertson
Hailey – Heather Dawson
Ketchum – Suzanne Frick

CALL TO ORDER

2:03:59 PM Call to order by Mayor Fritz Haemmerle.

ROLL CALL

Peter Hendricks, Fritz Haemmerle, Neil Bradshaw

OPEN SESSION FOR PUBLIC COMMENTS:

2:04:22 PM No comments.

REMARKS FROM CHAIR:

2:04:30 PM None.

CONSENT AGENDA:

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

- 1. Approval of Air Service Board Minutes of August 8, 2018 (Action Item);*
- 2. Receive and File Financials: a. 1% Local Option Tax Report: June 2018 (Action Item); ACTION/DISCUSSION*
- 3. Discussion and action regarding renewal of insurance coverage with ICRMP for the Insurance Policy Year October 1, 2018 – September 30, 2019 (Action Item);*
- 4. Consideration and action regarding Terrorism Property Coverage (Action Item);*
- 5. Discussion and possible action regarding the scope of work for the audit of Fly Sun Valley Alliance and Sun Valley Marketing Alliance (Action);*
- 6. Authorization of Payment of Bills on-hand through September 14, 2018 (Action Item);*
- 7. Discussion and action regarding scheduling a Special Air Service Board Meeting (action Item); ADJOURNMENT (Action Item)*

- 1. Approval of Air Service Board Minutes of August 8, 2018 (Action Item);*

2:04:43 PM Mayor Haemmerle pulls Item 1 minutes from August 8, 2018 for correction. **Mayor Haemmerle directs to page 3 under item 2. "Motion to hire consultant." The minutes indicate the motion was unanimous. Mayor Haemmerle objected. Correction will be noted, minutes reprinted and signed with the correction.**

Bradshaw moves to approve Consent Agenda items noting the correction, seconded by Hendricks, motion passed unanimously. Hendricks, yes. Haemmerle, yes. Bradshaw, yes.

2. Receive and File Financials: a. 1% Local Option Tax Report: June 2018 (Action Item); ACTION/DISCUSSION

2:06:01 PM

Bradshaw motions to approve the June 2018 financials seconded by Hendricks. Motion passed, Hendricks, yes. Bradshaw, yes. Haemmerle, yes.

ACTION/DISCUSSION:

3. Discussion and action regarding renewal of insurance coverage with ICRMP for the Insurance Policy Year October 1, 2018 – September 30, 2019 (Action Item);

4. Consideration and action regarding Terrorism Property Coverage (Action Item);

2:07:04 PM Susan Robertson gives an overview. The coverage levels stay the same with ICRMP. There are language changes. The ICRMP policy provides terrorism coverage for communities and enemies that are covered through them. It's recommended that the ICRMP policy be approved for the coming year and the Terrorism Property Coverage be rejected.

2:08:04 PM Mayor Haemmerle asks regarding the letter on Terrorism Coverage, there's a certain amount of coverage provided by ICRMP and if you want more than that you pay more? Robertson responds, it's in addition to but there's no lack of coverage. Mayor Haemmerle, the letter says it's included in your regular ICRMP coverage at no additional cost to you. Robertson, they're still obligated to have us take action on this additional policy.

2:08:44 PM Mayor Hendricks, does the additional policy increase the dollars? Robertson, it looks like the ICRMP policy is actually more. Mayor Hendricks asks Robertson if we accept the additional coverage it would be an additional cost? Robertson answers, there would be an additional amount of \$5,000. Mayor Hendricks is confused why the Terrorism Coverage is considered. Both Robertson and Mayor Bradshaw answer explaining it's required for us to opt out. It is required to take action every year.

Bradshaw motions to adopt the ICRMP Coverage and reject the Terrorism Property Coverage seconded by Hendricks. Motion passed, Hendricks, yes. Haemmerle, yes. Bradshaw, yes.

2:10:29 PM 5. Discussion and possible action regarding the scope of work for the audit of Fly Sun Valley Alliance and Sun Valley Marketing Alliance (Action);

2:10:40 PM Dennis Brown speaks. His firm audits Ketchum, Hailey, Sun Valley, and the Air Service Board. For a few years they've thought about the two entities that the Air Service Board funnels the money to and what about oversight there. There has been discussion this year as far as some kind more detailed oversight with the Fly Sun Valley Alliance and the Sun Valley Marketing Alliance. Brown explains to the board the several levels of financial statements and the comfort level of each of them. Brown explains each of these entities have their own accounts. Both are nonprofits. If they're having financial statements given to them, they're at an assembly level. That's the lowest level of financial statements. Brown explains the CPA assembles the financial statements. The second level is called Compilation. The CPA would issue a report. The next level is the Review level. A Review gives the company negative assurance and provides some analysis. The last level is an Audit. The audit provides a more detailed analysis and is certified. Brown goes on to suggest which level scope of work he recommends. Reviewed financial statements allows them to review the structure and issue a report. It's less money because it's less work. An audit is more time is spent and the CPA certifies. Brown had mentioned to Carol Waller to start with a review and if not sufficient move up to an audit the following year.

2:15:06 PM Mayor Bradshaw asks Brown if he could do an audit and then do reviews after that? Bradshaw wants to give a complete representation to the taxpayers. Brown answers, yes that can happen.

Mayor Haemmerle asks the two organizations what level of audit they do?

Scott Fortner answers, we do a review. Two of them, one review because they receive public funds (they recently changed the firm) and the other one because the state requires them to do one as part of our grant process. The contract with the state used to have us do the review, but now the state pays for the review as part of the contract with them and it happens to be the same firm as we changed to for the 2018 review. Carol Waller, we haven't done one in a number of years, we just use a CPA for tax returns.

Mayor Hendricks asks Brown, what is the time difference from start to finish? Brown answers, the unique situation with the Air Service Board is that the community pays the 1% in September. The cities collect that in October. It's late Oct. for the numbers are real for the year-end in September 30th. We've always come in December and audit the Air Service Board. We would look at issuing the reports by the end of December.

2:20:00 PM Haemmerle ask each organization, if they have any comments. Waller, does not. Fortner asks for clarification, is the audit on the organization and not just the 1%. Mayor Bradshaw, this is not clear to him either.

Mayor Haemmerle, is it possible to trace what the Air Service Board gives the entity?

Brown answers, it depends on the structure of the organization, their controls and their

bookkeeping procedures. Waller, we keep two separate bank accounts. Scott Fortner comments, we have two accounts as well.

2:23:13 PM Brown, forgot to mention there's a caveat with an audit. They can go in and audit the public money that went in and certify that went in.

2:24:09 PM Mayor Haemmerle, intrusive to audit where your money goes and how it's used and the entire organization. Auditing not only the public money but also private money seems intrusive. Looking at the entire organization seems intrusive. Mayor Hendricks, agrees with Mayor Haemmerle's opinion on the intrusiveness. Mayor Hendricks concern is about the public money. Would like the 4th degree of an audit as far as where the public money goes.

Mayor Haemmerle asks, how far do you want to go? Robertson, they talked about auditing this existing year. Mayor Bradshaw asks Brown, is there any merit in auditing 2 years to compare? Brown recommends an agreed upon procedures. If there aren't any issues in the current year, move forward. Mayor Bradshaw and Mayor Haemmerle agree 2 years.

Fortner asks, is the review currently being done on the Sun Valley Marketing Alliance, does that satisfy? Or a complete audit? Mayor Hendricks to Brown, if you took all their reviews could you come up with an educated guess as to everything's terrific, here's a dicey area, or this one needs further inspection? Brown answers, the review financial statements would be on the whole organization. It'll be certifying and spent on: this money went in and for the proper purpose.

Mayor Hendricks, full audit for the (public money) both years for public funds. Mayor Bradshaw proposes, full audit of public funds for the last two years. Fortner asks if that would satisfy the City of Sun Valley as well as City of Ketchum? Mayor Haemmerle, you get money from each City that should not be part of the audit, the respective cities would pay for that type of audit, we are focused on the money from the 1% for air funds.

Susan Robertson, doesn't recall if the agreement has anything regarding auditing for the city. Waller states in their contract the cost of the audit is on Fly Sun Valley.

2:32:54 PM **Bradshaw motions to audit Fly Sun Valley and Sun Valley Marketing Alliance for the last two years focused only on public money seconded by Hendricks. Motion passed unanimously. Hendricks, yes. Haemmerle, yes. Bradshaw, yes.**

2:33:52 PM **6. Authorization of Payment of Bills on-hand through September 14, 2018 (Action Item);**

Hendricks motions to authorize payment of bills through September 14,2018 seconded by Bradshaw. Motion passed, Hendricks, yes. Haemmerle, yes. Bradshaw, yes.

7. Discussion and action regarding scheduling a Special Air Service Board Meeting (action Item); ADJOURNMENT (Action Item)

2:34:38 PM Robertson, don't have July payment. Robertson recommends a special meeting to enable the payment to occur. Board agreed to special meeting in Oct. 24th at 2 pm. Robertson will confirm the location of the meeting by sending out an email to everyone.

2:37:04 PM Hendricks moves to adjourn, Bradshaw seconds, motion passed unanimously.


Fritz X. Haemmerle, Chairman

ATTEST:


Neil Bradshaw, Secretary/Treasurer