SECOND REVISED

AGENDA

REGULAR SUN VALLEY AIR SERVICE BOARD MEETING

SUN VALLEY CITY HALL
81 ELKHORN ROAD
SUN VALLEY, ID
December 7, 2015 - 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 September 17, 2015; 1
2. Receive and File Financials:..... 4
   a. 1% Local Option Tax Report – July 2015;
   b. 1% Local Option Tax Report – August 2015;
   c. 1% Local Option Tax Report – September 2015;

PRESENTATIONS

3. Fly Sun Valley Alliance, Revised Budget Request, Carol Waller; (no documents)
4. Sun Valley Marketing Alliance, Revised Budget Request, Arlene Schieven; (no documents)

DISCUSSION/ACTION

5. Discussion and possible adoption of a contract for services between the Sun Valley Air Service Board and Fly Sun Valley Alliance for air service development including maintaining and expanding commercial air service to the local area through the use of Minimum Revenue Guarantees or other inducements to providers and all ancillary costs which are associated with the ongoing effort to maintain and expand commercial air service; 6
6. Discussion and possible adoption of a contract for services between the Sun Valley Air Service Board and Sun Valley Marketing Alliance for the promotion of existing air service and future air service to increase commercial air passengers to the local area; 24
7. Authorization of Payment of Bills on-hand through November 30, 2015;..... 41
8. Discussion and action regarding Resolution 2015-01 setting the Air Service Board Meeting Dates For 2016; 46

Please Note: *The agenda is subject to revisions. Any person in need of assistance to attend or participate should contact the Sun Valley City Hall prior to the meeting at 622-4438. Sun Valley Air Service Board Packets are online at www.haileycityhall.org; www.ketchumidaho.org; and www.sunvalley.govoffice.com.*

EXECUTIVE SESSION – Pursuant to Idaho Code § 74-206(1)(d) to consider records that are exempt from disclosure and Idaho Code § 74-206(1)(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;..... 47

ADJOURNMENT

SUN VALLEY AIR SERVICE BOARD
MEETING MINUTES
September 17, 2015

KETCHUM CITY HALL MEETING ROOM 2:00 P.M.

Present: Dwayne Briscoe – Mayor, City of Sun Valley
Nina Jonas – Mayor, City of Ketchum
Fritz Haemmerle – Mayor, City of Hailey

Absent: Larry Schoen – Blaine County Commissioner

Staff: Suzanne Frick - Administrator City of Ketchum
Susan Robertson – Administrator City of Sun Valley
Heather Dawson – Administrator City of Hailey

CALL TO ORDER
Meeting called to order at 2:04 p.m. by Chairman Dewayne Briscoe

ROLL CALL
Larry Schoen Blaine County Commissioner - absent

PLEDGE OF ALLEGIANCE
Led by Dick Fenton

PUBLIC COMMENT
Jack Sibbach thanked the Board for their service.

REMARKS FROM THE CHAIR
None

REMARKS FROM THE BOARD
None

CONSENT AGENDA
Mayor Fritz Haemmerle moved to approve the consent agenda, seconded by Mayor Nina Jonas. A roll call vote was taken. Mayor Haemmerle abstained since he was not present for the last meeting. Mayor Jonas and Mayor Briscoe were in favor. Motion carried unanimously.

Fly Sun Valley Alliance Budget Presentation, Carol Waller

Fly Sun Valley Alliance – Carl Waller presented an update on summer of 2015.
Final numbers for the season will be presented in November. Contracts for 2016 are under way. Research and air passenger survey is in process and will be compared to last year when complete.

Carol Waller presented the flight schedule for the winter. She explained that we are competing against other ski resorts that are also developing their air service so Fly Sun Valley Alliance will need to continue working strategically. The breakout of the 2015/2016 budget was presented. Mayor Nina Jonas questioned the reserve and how much the Board should be keeping. Mayor Fritz Haemmerle explained that this is tax money and the public expects certain things to be done. They will need to keep an eye on this to be sure the money is spent and that we have a plan and a number not to exceed.

Carol Waller thanked all the partners that are involved.

Sun Valley/Marketing Alliance Budget Presentation, Arlene Schieven

Arlene Schieven presented saying room nights and occupancy loads are up. July had an 86% occupancy – highest ever seen. There are increases where marketing dollars have been spent. She outlined the plan for the winter season in regards to digital and print advertising and outlined other marketing strategies that will be coming forth.

Schieven showed research findings from California and Washington and said the results of the research are what they used to form their plan for this year.

Budget is straight forward and is split 60/40 summer/winter.

Discussion regarding renewal of insurance coverage with ICRMP for the insurance Policy Year October 1, 2015 – September 30, 2016.

Susan Robertson, Sun Valley City Administrator, presented the annual renewal of policy saying that it is in the budget and there have been no changes to the main language of the contract. There have has been minor language changes mainly in definitions.

Mayor Fritz Haemmerle moved to approve the renewal of insurance coverage with ICRMP for insurance policy year October 1, 2015 – September 30, 2016; seconded by Mayor Nina Jonas. Motion carried unanimously.

Consideration of Terrorism Property Coverage.

Mayor Fritz Haemmerle moved to deny Terrorism Property Coverage; seconded by Mayor Nina Jonas. Motion carried unanimously.

Authorizing Payment of Bills on-hand through September 14, 2015.

Susan Robertson, Sun Valley City Administrator, explained that one additional invoice has been distributed for inclusion with bills to be paid. It is for the advertising with Express Publishing.

Mayor Fritz Haemmerle moved to approve the payment of bills on hand through September 14, 2015 with the addition of the Express Publishing bill; seconded by Mayor Nina Jonas. Motion carried unanimously.

Rescheduling of the Regular Sun Valley Air Service Board September 24, 2015 meeting to consider contracts for services with Fly Sun Valley Alliance and Sun Valley Marketing Alliance.

Susan Robertson, Sun Valley City Administrator, explained that the regularly scheduled meeting is next Thursday but there is nothing for the agenda; therefore she is suggesting a date change.

Mayor Fritz Haemmerle moved to continue the September 24, 2015 regularly scheduled meeting to October 22, 2015 at 2:00 pm at Hailey City Hall; seconded by Mayor Nina Jonas. Motion carried unanimously.

Adjournment

Mayor Fritz Haemmerle moved to adjourn at 3:05 p.m.; seconded by Mayor Nina Jonas. Motion carried unanimously.

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Dewayne Briscoe, Chair

_____

Nina Jonas, Secretary/Chair

CASH FLOW of 1% LOT for FY 2014 -15 (October 14 - September 15 revenues and reciept of funds)

SUN VALLEY	BEDS 3%	BEDS 1%	LIQUOR 3%	LIQUOR1%	RETAIL 2.6%	RETAIL1%			TOTAL 3%	TOTAL 1%	MINUS COST	SVASB NET
October	15,550.45	5,183.48	3,175.80	1,058.60	32,499.75	12,948.11			51,226.00	19,190.19	-512.69	18,677.50
November	12,187.45	4,062.48	2,173.98	724.66	23,400.37	9,573.77			37,761.80	14,360.91	-512.69	13,848.22 *
December	39,496.11	13,165.37	6,436.76	2,145.59	66,925.05	29,234.17			112,857.92	44,545.13	-512.69	44,032.44
January	31,281.02	10,427.01	4,747.42	1,582.47	46,823.04	20,029.62			82,851.48	32,039.10	-512.69	31,526.41
February	31,724.42	10,574.81	4,614.02	1,538.01	50,521.44	22,019.38			86,859.88	34,132.19	-512.69	33,619.50
March	32,555.02	10,851.67	4,062.53	1,354.18	40,151.21	16,432.99			76,768.76	28,638.84	-512.69	28,126.15
April	10,871.94	3,623.98	1,393.80	464.60	32,459.05	12,397.43			44,724.79	16,486.01	-512.69	15,973.32
May	8,655.92	2,885.31	1,705.42	568.47	35,389.95	13,580.39			45,751.29	17,034.17	-512.69	16,521.48
June	47,142.00	15,714.00	6,818.92	2,272.97	68,605.79	25,411.11			122,566.71	43,398.08	-512.69	42,885.39
July	115,646.27	38,548.76	14,049.85	4,683.28	142,308.04	53,203.92			272,004.16	96,435.96	-512.69	95,923.27
August												
September												
TOTAL	**345,110.60**	**32,838.34**	**49,178.50**	**16,392.83**	**539,083.69**	**214,830.89**			**933,372.79**	**346,260.59**	**-5,126.90**	**341,133.69**
*Note: Sun Valley Pd SVASB on Jan.14, 2015 for Nov. the total 1% before the direct costs were subtracted in Jan '15. SV invoiced SVASB for the $512.69 to be pd. on Jan. 29, 2015												
KETCHUM	**BEDS 3%**	**BEDS 1%**	**LIQUOR 3%**	**LIQUOR1%**	**RETAIL 2%**	**RETAIL1%**	**BDLG 2%**	**BDLG1%**	**TOTAL**	**TOTAL 1%**	**MINUS COST**	**SVASB NET**
October	16,035.35	5,345.11	20,720.76	6,906.92	153,959.95	76,979.98	47,319.36	23,659.68	238,035.42	112,891.69	-5,471.08	107,420.61
November	12,229.06	4,076.35	15,425.46	5,141.82	154,173.15	77,086.57	45,125.11	22,562.55	226,952.78	108,867.29	-5,471.08	103,396.21
December	40,324.02	13,441.34	38,765.12	12,921.71	373,810.68	186,905.34	39,413.81	19,706.91	492,313.63	232,975.29	-5,471.08	227,504.21
January	33,441.66	11,147.22	30,189.45	10,063.15	226,039.45	113,019.73	34,439.17	17,219.59	324,109.73	151,449.68	-5,471.08	145,978.60
February	30,662.41	10,220.81	39,475.54	13,158.51	251,305.78	125,652.89	27,073.59	13,536.79	348,517.32	162,569.00	-5,471.08	157,097.92
March	30,839.46	10,279.82	34,116.71	11,372.24	211,477.62	105,738.81	35,039.23	17,519.62	311,473.02	144,910.48	-5,471.08	139,439.40
April	8,762.97	2,920.99	15,145.36	5,048.45	120,853.38	60,426.69	44,872.11	22,436.05	189,633.82	90,832.18	-5,471.08	85,361.10
May	10,933.54	3,644.51	15,505.64	5,168.55	115,182.51	57,591.25	46,247.20	23,123.60	187,868.89	89,527.91	-5,471.08	84,056.83
June	23,957.11	7,985.70	30,481.20	10,160.40	201,161.54	100,580.77	58,977.31	29,488.65	314,577.16	148,215.52	-5,471.08	142,744.44
July	46,390.65	15,463.55	41,332.36	13,777.45	321,432.87	160,716.43	40,832.84	20,416.42	449,988.72	210,373.85	-5,471.08	204,902.77
August												
September												
TOTAL	**253,576.23**	**84,525.41**	**281,157.60**	**93,719.20**	**2,129,396.93**	**1,064,698.46**	**419,339.73**	**209,669.85**	**3,083,470.49**	**454,734.27**	**-54,710.80**	**438,321.03**
HAILEY	**BED/CAR3%**	**BED/CAR1%**							**TOTAL**	**TOTAL 1%**	**MINUS COST**	**SVASB NET**
October	12,691.14	4,230.38								4,230.38	-118.45	4,111.93
November	7,101.45	2,367.15								2,367.15	-66.28	2,300.87
December	13,481.34	4,493.78								4,493.78	-125.83	4,367.95
January	25,612.11	8,537.37								8,537.37	-239.05	8,298.32
February	17,063.46	5,687.82								5,687.82	-159.26	5,528.56
March	17,258.19	5,752.73								5,752.73	-161.08	5,591.65
April	7,645.86	2,548.62								2,548.62	-71.36	2,477.26
May	9,329.28	3,109.76								3,109.76	-87.07	3,022.69
June	15,918.39	5,306.13								5,306.13	-148.57	5,157.56
July	35,824.33	11,941.44								11,941.44	-334.36	11,607.08
August												
September												
TOTAL	**161,925.55**	**53,975.18**								**53,975.18**	**-1,511.31**	**52,463.87**
									TOTAL FY	**854,970.04**	**-61,349.01**	**831,918.59**

1% Local Option Tax Report - August 2015

CASH FLOW of 1% LOT for FY 2014 -15 (October 14 - September 15 revenues and reciept of funds)

SUN VALLEY	BEDS 3%	BEDS 1%	LIQUOR 3%	LIQUOR1%	RETAIL 2.6%	RETAIL1%			TOTAL 3%	TOTAL 1%	MINUS COST	SVASB NET
October	15,550.45	5,183.48	3,175.80	1,058.60	32,499.75	12,948.11			51,226.00	19,190.19	-512.69	18,677.50
November	12,187.45	4,062.48	2,173.98	724.66	23,400.37	9,573.77			37,761.80	14,360.91	-512.69	13,848.22 *
December	39,496.11	13,165.37	6,436.76	2,145.59	66,925.05	29,234.17			112,857.92	44,545.13	-512.69	44,032.44
January	31,281.02	10,427.01	4,747.42	1,582.47	46,823.04	20,029.62			82,851.48	32,039.10	-512.69	31,526.41
February	31,724.42	10,574.81	4,614.02	1,538.01	50,521.44	22,019.38			86,859.88	34,132.19	-512.69	33,619.50
March	32,555.02	10,851.67	4,062.53	1,354.18	40,151.21	16,432.99			76,768.76	28,638.84	-512.69	28,126.15
April	10,871.94	3,623.98	1,393.80	464.60	32,459.05	12,397.43			44,724.79	16,486.01	-512.69	15,973.32
May	8,655.92	2,885.31	1,705.42	568.47	35,389.95	13,580.39			45,751.29	17,034.17	-512.69	16,521.48
June	47,142.00	15,714.00	6,818.92	2,272.97	68,605.79	25,411.11			122,566.71	43,398.08	-512.69	42,885.39
July	115,646.27	38,548.76	14,049.85	4,683.28	142,308.04	53,203.92			272,004.16	96,435.96	-512.69	95,923.27
August	78,521.84	26,173.95	14,744.96	4,914.99	104,374.09	39,656.69			197,640.89	70,745.62	-512.69	70,232.93
September												
TOTAL	**423,632.44**	**32,838.34**	**63,923.46**	**21,307.82**	**643,457.78**	**254,487.58**			**1,131,013.68**	**417,006.21**	**-5,639.59**	**411,366.62**
*Note: Sun Valley Pd SVASB on Jan.14, 2015 for Nov. the total 1% before the direct costs were subtracted in Jan '15. SV invoiced SVASB for the $512.69 to be pd. on Jan. 29, 2015												
KETCHUM	**BEDS 3%**	**BEDS 1%**	**LIQUOR 3%**	**LIQUOR1%**	**RETAIL 2%**	**RETAIL1%**	**BDLG 2%**	**BDLG1%**	**TOTAL**	**TOTAL 1%**	**MINUS COST**	**SVASB NET**
October	16,035.35	5,345.11	20,720.76	6,906.92	153,959.95	76,979.98	47,319.36	23,659.68	238,035.42	112,891.69	-5,471.08	107,420.61
November	12,229.06	4,076.35	15,425.46	5,141.82	154,173.15	77,086.57	45,125.11	22,562.55	226,952.78	108,867.29	-5,471.08	103,396.21
December	40,324.02	13,441.34	38,765.12	12,921.71	373,810.68	186,905.34	39,413.81	19,706.91	492,313.63	232,975.29	-5,471.08	227,504.21
January	33,441.66	11,147.22	30,189.45	10,063.15	226,039.45	113,019.73	34,439.17	17,219.59	324,109.73	151,449.68	-5,471.08	145,978.60
February	30,662.41	10,220.81	39,475.54	13,158.51	251,305.78	125,652.89	27,073.59	13,536.79	348,517.32	162,569.00	-5,471.08	157,097.92
March	30,839.46	10,279.82	34,116.71	11,372.24	211,477.62	105,738.81	35,039.23	17,519.62	311,473.02	144,910.48	-5,471.08	139,439.40
April	8,762.97	2,920.99	15,145.36	5,048.45	120,853.38	60,426.69	44,872.11	22,436.05	189,633.82	90,832.18	-5,471.08	85,361.10
May	10,933.54	3,644.51	15,505.64	5,168.55	115,182.51	57,591.25	46,247.20	23,123.60	187,868.89	89,527.91	-5,471.08	84,056.83
June	23,957.11	7,985.70	30,481.20	10,160.40	201,161.54	100,580.77	58,977.31	29,488.65	314,577.16	148,215.52	-5,471.08	142,744.44
July	46,390.65	15,463.55	41,332.36	13,777.45	321,432.87	160,716.43	40,832.84	20,416.42	449,988.72	210,373.85	-5,471.08	204,902.77
August	42,416.92	14,138.97	41,861.45	13,953.82	318,618.12	159,309.06	36,321.14	18,160.57	439,217.63	205,562.42	-5,471.08	200,091.34
September												
TOTAL	**295,993.15**	**98,664.38**	**323,019.05**	**107,673.02**	**2,448,015.05**	**1,224,007.52**	**455,660.87**	**227,830.42**	**3,522,688.12**	**454,734.27**	**-60,181.88**	**438,321.03**
HAILEY	**BED/CAR3%**	**BED/CAR1%**							**TOTAL**	**TOTAL 1%**	**MINUS COST**	**SVASB NET**
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November	7,101.45	2,367.15								2,367.15	-66.28	2,300.87
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January	25,612.11	8,537.37								8,537.37	-239.05	8,298.32
February	17,063.46	5,687.82								5,687.82	-159.26	5,528.56
March	17,258.19	5,752.73								5,752.73	-161.08	5,591.65
April	7,645.86	2,548.62								2,548.62	-71.36	2,477.26
May	9,329.28	3,109.76								3,109.76	-87.07	3,022.69
June	15,918.39	5,306.13								5,306.13	-148.57	5,157.56
July	35,824.33	11,941.44								11,941.44	-334.36	11,607.08
August	36,288.75	12,096.25								12,096.25	-338.70	11,757.56
September												
TOTAL	**198,214.30**	**66,071.43**								**66,071.43**	**-1,850.01**	**64,221.43**
									TOTAL FY	**937,811.92**	**-67,671.48**	**913,909.09**

1% LOCAL OPTION TAX REPORT - SEPTEMBER 2015

CASH FLOW of 1% LOT for FY 2014 -15 (October 14 - September 15 revenues and reciept of funds)

SUN VALLEY	BEDS 3%	BEDS 1%	LIQUOR 3%	LIQUOR1%	RETAIL 2.6%	RETAIL1%			TOTAL 3%	TOTAL 1%	MINUS COST	SVASB NET
October	15,550.45	5,183.48	3,175.80	1,058.60	32,499.75	12,948.11			51,226.00	19,190.19	-512.69	18,677.50
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December	39,496.11	13,165.37	6,436.76	2,145.59	66,925.05	29,234.17			112,857.92	44,545.13	-512.69	44,032.44
January	31,281.02	10,427.01	4,747.42	1,582.47	46,823.04	20,029.62			82,851.48	32,039.10	-512.69	31,526.41
February	31,724.42	10,574.81	4,614.02	1,538.01	50,521.44	22,019.38			86,859.88	34,132.19	-512.69	33,619.50
March	32,555.02	10,851.67	4,062.53	1,354.18	40,151.21	16,432.99			76,768.76	28,638.84	-512.69	28,126.15
April	10,871.94	3,623.98	1,393.80	464.60	32,459.05	12,397.43			44,724.79	16,486.01	-512.69	15,973.32
May	8,655.92	2,885.31	1,705.42	568.47	35,389.95	13,580.39			45,751.29	17,034.17	-512.69	16,521.48
June	47,142.00	15,714.00	6,818.92	2,272.97	68,605.79	25,411.11			122,566.71	43,398.08	-512.69	42,885.39
July	115,646.27	38,548.76	14,049.85	4,683.28	142,308.04	53,203.92			272,004.16	96,435.96	-512.69	95,923.27
August	78,521.84	26,173.95	14,744.96	4,914.99	104,374.09	39,656.69			197,640.89	70,745.62	-512.69	70,232.93
September	24,761.06	8,253.68	5,368.96	1,789.65	35,402.80	13,467.47			65,532.82	23,510.80	-512.69	22,998.11
	448,393.50	**32,838.34**	**69,292.42**	**23,097.47**	**1,346.00**	**267,955.05**			**1,196,546.50**	**440,517.02**	**-6,152.28**	**434,364.74**
*Note: Sun Valley Pd SVASB on Jan.14, 2015 for Nov. the total 1% before the direct costs were subtracted in Jan '15. SV invoiced SVASB for the $512.69 to be pd. on Jan. 29, 2015												
KETCHUM	**BEDS 3%**	**BEDS 1%**	**LIQUOR 3%**	**LIQUOR1%**	**RETAIL 2%**	**RETAIL1%**	**BDLG 2%**	**BDLG1%**	**TOTAL**	**TOTAL 1%**	**MINUS COST**	**SVASB NET**
October	16,035.35	5,345.11	20,720.76	6,906.92	153,959.95	76,979.98	47,319.36	23,659.68	238,035.42	112,891.69	-5,471.08	107,420.61
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December	40,324.02	13,441.34	38,765.12	12,921.71	373,810.68	186,905.34	39,413.81	19,706.91	492,313.63	232,975.29	-5,471.08	227,504.21
January	33,441.66	11,147.22	30,189.45	10,063.15	226,039.45	113,019.73	34,439.17	17,219.59	324,109.73	151,449.68	-5,471.08	145,978.60
February	30,662.41	10,220.81	39,475.54	13,158.51	251,305.78	125,652.89	27,073.59	13,536.79	348,517.32	162,569.00	-5,471.08	157,097.92
March	30,839.46	10,279.82	34,116.71	11,372.24	211,477.62	105,738.81	35,039.23	17,519.62	311,473.02	144,910.48	-5,471.08	139,439.40
April	8,762.97	2,920.99	15,145.36	5,048.45	120,853.38	60,426.69	44,872.11	22,436.05	189,633.82	90,832.18	-5,471.08	85,361.10
May	10,933.54	3,644.51	15,505.64	5,168.55	115,182.51	57,591.25	46,247.20	23,123.60	187,868.89	89,527.91	-5,471.08	84,056.83
June	23,957.11	7,985.70	30,481.20	10,160.40	201,161.54	100,580.77	58,977.31	29,488.65	314,577.16	148,215.52	-5,471.08	142,744.44
July	46,390.65	15,463.55	41,332.36	13,777.45	321,432.87	160,716.43	40,832.84	20,416.42	449,988.72	210,373.85	-5,471.08	204,902.77
August	42,416.92	14,138.97	41,861.45	13,953.82	318,618.12	159,309.06	36,321.14	18,160.57	439,217.63	205,562.42	-5,471.08	200,091.34
September	30,271.72	10,090.57	26,634.94	8,878.31	238,395.63	119,197.81	48,664.27	24,332.13	343,966.56	162,498.82	-5,471.08	157,027.74
TOTAL	**326,264.87**	**108,754.96**	**349,653.99**	**116,551.33**	**2,686,410.68**	**1,343,205.33**	**504,325.14**	**252,162.55**	**3,866,654.68**	**454,734.27**	**-65,652.96**	**438,321.03**
HAILEY	**BED/CAR3%**	**BED/CAR1%**							**TOTAL**	**TOTAL 1%**	**MINUS COST**	**SVASB NET**
October	12,691.14	4,230.38								4,230.38	-118.45	4,111.93
November	7,101.45	2,367.15								2,367.15	-66.28	2,300.87
December	13,481.34	4,493.78								4,493.78	-125.83	4,367.95
January	25,612.11	8,537.37								8,537.37	-239.05	8,298.32
February	17,063.46	5,687.82								5,687.82	-159.26	5,528.56
March	17,258.19	5,752.73								5,752.73	-161.08	5,591.65
April	7,645.86	2,548.62								2,548.62	-71.36	2,477.26
May	9,329.28	3,109.76								3,109.76	-87.07	3,022.69
June	15,918.39	5,306.13								5,306.13	-148.57	5,157.56
July	35,824.33	11,941.44								11,941.44	-334.36	11,607.08
August	36,288.75	12,096.25								12,096.25	-338.70	11,757.56
September	19,662.72	6,554.24								6,554.24	-183.52	6,370.72
TOTAL	**217,877.02**	**72,625.67**								**72,625.67**	**-2,033.53**	**70,592.15**
									TOTAL FY	**967,876.96**	**-73,838.77**	**943,277.92**

SUN VALLEY
AIR SERVICE BOARD

CONTRACT FOR SERVICES
BETWEEN THE
SUN VALLEY AIR SERVICE BOARD AND
FSVA

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this ~~12th~~ 7th day of ~~March, 2014~~December 2015, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and the Fly Sun Valley Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c) (6) designation, (hereinafter referred to as "FSVA").

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RECITALS

1. The ASB is a duly organized and existing Joint Powers Authority organized as a separate legal entity under Idaho Code §§ 67- 2328 *et seq.* The ASB is made up of the following entities (hereinafter referred to as "Component Members"):

a. The City of Sun Valley, Idaho
b. The City of Ketchum, Idaho
c. The City of Hailey, Idaho
d. Blaine County, Idaho [non-voting]

2. FSVA is an Idaho non-profit corporation with an IRC 501(c)(6) designation engaged in the business of domestically marketing the Sun Valley, Idaho resort area as a destination resort as further described in **Exhibit "A".**

3. Pursuant to Idaho Code §§ 67-2328, 50-301 and 50-302, the ASB is empowered to enter into contracts and take such steps as arc reasonably necessary to maintain the peace, good government and welfare of the Component Members and their trade, commerce and industry. Accordingly, the ASB has the power as conferred by the State of Idaho, to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic well-being of the Component Members.

4. The following ordinances have been adopted by certain Component Members (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees ("MRG's") 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:

a. Sun Valley Ordinance No. 45G.
b. Ketchum Ordinance No. 1108.
c. Hailey Ordinance No. 1133.

5. The primary reason for the ASB to enter this Contract is to effectuate the purposes of the local option taxes and Component Member ordinances recited above.

6. FSVA's mission is to retain, develop and improve air service to the Friedman Memorial Airport (SUN) in Blaine County.

7. The organizational goals of FSVA are consistent with the purposes and findings of the ordinances recited above.

8. It is the intention of the ASB to contract with FSVA to provide such services for consideration as hereinafter provided, subject to the tracking and reporting requirements described herein.

9. FSVA desires to enter into a contract with the ASB to retain, develop and improve air service as hereinafter provided.

10. ASB and FSVA intend to dedicate local option taxes to the payment of MRG's, bussing costs for airline passengers due to weather related flight diversions and any applicable start-up costs ("Air Service Contract Costs"). Sun Valley Company has entered into one ~~two~~ seasonal contract~~s~~ with United Airlines (providing air service to and from San Francisco and Denver) and one annual contact with Alaska Airlines (providing service to and from Los Angeles and Seattle) which require the payment of Air Service Contract Costs. The contracts between Sun Valley Company and United Airlines and Alaska Airlines contain confidentiality provisions. FSVA and Sun Valley Company have agreed that Sun Valley Company shall pay all of the Air Service Contract Costs under the contracts with United Airlines and Alaska Airlines but be reimbursed by FSVA in an amount not to exceed ~~Eight Hundred Sixty Thousand~~One Million One Hundred Eighty Five Thousand and no/100's Dollars ($~~860,000~~1,185,000) for 50% of the Air Service Contract Costs from funds received by FSVA from ASB.

11. ASB and FSVA intend to honor the confidentiality provisions in the United Airlines and Alaska Airlines contracts but verify the amount of the MRG's and bussing expenses by examining the invoices for Air Service Contract Costs in executive session.

SUN VALLEY
AIR SERVICE BOARD

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, it is agreed by and between the ASB and FSVA as follows:

1. All Recitals above are incorporated herein by reference.

2. Services. FSVA agrees to retain, develop and improve air service consisting of securing and management air service into Friedman Memorial Airport; providing other air service support; pursuing new and/or expanded air service; and other air service development related tasks ("Air Service Development") as more particularly set forth in **Exhibit "A"**, which is incorporated herein by reference, and to pay no more than 50% of the Air Service Contract Costs.

3. Expenses. FSVA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.

4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate September 30, ~~2015~~2016. This Contract shall be automatically extended for one (1) year terms, unless notice is provided as set forth herein. Such notice shall be served not less than sixty (60) days prior to the expiration of any annual term. This ~~c~~Contract may be amended to increase the length of the term if so determined by the parties.

5. Consideration.

   A. Air Service Contract Costs and Air Service Development Reimbursement. During the term of this Contract, ASB shall pay FSVA, as reimbursement for Air Service Contract Costs and as payment for Air Service Development, a maximum sum not to exceed ~~Nine~~ One Million Three Hundred Thousand Dollars and no/100's Dollars ($~~900,000~~1,300,000), for the present fiscal year ending September 30, ~~2014~~ 2016 ("FY ~~14~~16"), payable on a monthly basis. The maximum payment for Air Service Contract Costs shall not exceed ~~Eight~~ One Million One Hundred ~~Sixty~~ Eighty Five Thousand and no/100's Dollars ($~~860,000~~1,185,000), while the maximum payment for Air Service Development shall not exceed ~~Forty~~ One Hundred Fifteen Thousand and no/100's Dollars ($~~40,000~~115,000). Each monthly payment shall be calculated by multiplying the percentage under "% of Available Funds" for FSVA as set forth in the Payment Schedule attached hereto as **Exhibit "B"** by the actual amount of local option taxes received by the ASB, less direct costs, administrative expenses, ~~legal reserves~~ and fund balance, which is described as "Funds Available for Contracts'', as depicted in the Payment Schedule attached hereto

as **Exhibit "B".** In the event the monthly payments derived during FY ~~14~~ 16 would exceed $~~900,000~~1,300,000, the last monthly payment(s) shall be reduced to ensure only a payment of $~~900,000~~1,300,000. In the event the monthly payments derived during FY ~~14~~ 16 are less than $~~900,000~~1,300,000, FSVA shall not be entitled to the difference between the total of the monthly payments and $~~900,000~~1,300,000. FSVA shall reimburse Sun Valley Company for Air Service Contract Costs a maximum of 50% of the actual payment for MRG's, 75~~50~~% of the actual payment for bussing and 50% of any applicable start-up costs required under each of the United and Alaska Airlines contracts described in Recital 10, above. The Payment Schedule for each subsequent ~~the~~ fiscal year ~~between October 1, 2014~~ 2016 ~~and September 30, 2015~~ 2017 ~~("FY 15~~16~~")~~may be amended by the parties as part of ~~the~~that fiscal year's ~~FY 15~~ 17 budget process.

Commented [SR1]: As I was working on this, this sentence appears to have been inadvertently left out in the original FSVA contract. It was in the last SVMA contract. Since it was our intention to have it in this agreement as well, I included it in this version with updated dates.

B. Limitation of Funds. Funds paid by ASB to FSVA shall only be used for the purposes set forth in this Contract, and for no other purpose. In the event FSVA pays Sun Valley Company pursuant to the contracts described in Recital 10, above, less than the maximum amount of ~~Eight~~ One Million One Hundred ~~Sixty~~ Eighty Five Thousand Dollars ($~~860,000~~1,185,000) described in Paragraph 5(A), above, the difference may be retained by FSVA but such amount shall only be used for reimbursement of Air Service Contract Costs, if approved by ASB, under other airline contracts, subject to the same limitations set forth in this Contract.

6. Reporting Requirements. In consideration and as part of this Contract, FSVA agrees to provide to the ASB:

A. Written and in-person presentations and reports in ~~November~~ January and ~~May~~ July during the term of this Contract or as otherwise scheduled by the parties outlining program results and plans for the upcoming season and explaining annual performance based on the metrics specified in attached Exhibit "A". Semi-annual reports will be based on the government fiscal year of October 1st to September 30'".

B. The ASB has at all times the right to request an independent audit, at the sole cost of FSVA, under the provisions herein, and such audit obligation and cost on the part of FSVA shall survive any termination.

C. The ASB may request additional financial information it deems necessary or appropriate to assist the ASB in verifying the accuracy of the FSVA's financial

records, and within a reasonable time period, FSVA shall submit such information or reports relating to its activities under this Contract to ASB in such form and at such time as ASB may reasonably require. Any duly authorized agents of the ASB shall be entitled to inspect and audit all books and records of FSVA for compliance with the terms of this Contract. Any record provided hereunder which would covered by the confidentiality provisions described in Recital 11, above, shall not be disclosed unless ordered by a court of competent jurisdiction or unless consent is provided by the Sun Valley Company and the relevant airline. FSVA agrees to retain all financial records, supporting documents, statistical reports, contracts, minutes, correspondence, and all other accounting records or written materials pertaining to this Contract for three (3) years following the expiration or termination of this Contract.

D. Invoices and supporting documents from United Airlines and Alaska Airlines for the Air Service Contract Costs to be paid by Sun Valley Company. Submittal of such invoices and documents is a condition precedent to the payment of the amount by FSVA to Sun Valley Company under Paragraph 5(A), above. Such invoices shall be presented to the ASB by FSVA in executive session.

7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to FSVA with or without cause. The ASB recognizes that the FSVA has made significant financial commitments *(e.g.,* vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to FSVA under this Contract at the end of the 90 day period.

8. Equal Employment Opportunity. FSVA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.

9. Independent Contractor Status. The parties acknowledge and agree that FSVA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. FSVA shall create, direct and control its own means and methods of performing this Contract. FSVA and its agents, members, employees and volunteers shall not accrue leave, retirement, insurance, bonding or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by FSVA in a competent, efficient and satisfactory manner.

SUN VALLEY
AIR SERVICE BOARD

10. Hold Harmless Agreement. FSVA hereby covenants and agrees to indemnify, defend and hold the ASB and the Component Members, and their officials, officers, employees and agents harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of non-disclosure of information pursuant to Paragraph 6(D) of this Contract or by reason of any wrongful act or omission on the part of FSVA, its agents, employees, assigns or subcontractors, related to damages or bodily injury, property damage and personal injury that arise out of FSVA's actions or omissions associated with the services or obligations described in this Contract. FSVA shall have the duty to appear and defend any such demand, claim, suit or action on behalf of ASB and the Component Members, or tender the defense without cost or expense to ASB and the Component Members.

~~10.~~

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11. Non-Assignment. This Contract may not be assigned by or transferred by FSVA, in whole or in part, without the prior written consent of the ASB.

12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of any such dispute in Blaine County, Idaho. If mediation is unsuccessful, then the dispute, shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.

13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract nor are any public funds committed beyond the current fiscal year. The terms of this Contract arc contingent upon sufficient appropriations being made each fiscal year by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by FSVA. ASB's decision as to whether sufficient appropriations are available shall be accepted by FSVA and shall be final. FSVA HAS NO RIGHT TO COMPEL COMPONENT MEMBERS TO LEVY OR COLLECT TALXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR. In the event that this provision conflicts with any other provision in the Agreement, this provision shall prevail.

15. Miscellaneous Provisions.

a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Contract or any of the provisions of the Contract.

b. Provisions Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Contract are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

d. Successor and Assigns. This Contract and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.

g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.

h. No Waiver. No waiver of any breach by either party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.

i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the parties.

j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:

SUN VALLEY
AIR SERVICE BOARD

a. ASB: P.O. Box 3801, Ketchum, Idaho 83340

b. FSVA: P.O. Box 6316, Ketchum, Idaho 83340

k. Fiscal Year. For the purpose of this Contract, the fiscal year is considered a government fiscal year between October 1 and September 30 of the following year.

l. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first set forth above.

Signatures:

Dated: _____	The Sun Valley Air Services Board, An Idaho Joint Powers Authority By: _____ Its: _____
Dated: _____	FSVA, an Idaho Non-Profit Corporation By: _____ Its: President

SUN VALLEY
AIR SERVICE BOARD

CONTRACT FOR SERVICES
BETWEEN THE
SUN VALLEY AIR SERVICE BOARD AND
FSVA

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this 7th day of December 2015, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and the Fly Sun Valley Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c) (6) designation, (hereinafter referred to as "FSVA").

RECITALS

1. The ASB is a duly organized and existing Joint Powers Authority organized as a separate legal entity under Idaho Code §§ 67- 2328 *et seq.* The ASB is made up of the following entities (hereinafter referred to as "Component Members"):

a. The City of Sun Valley, Idaho
b. The City of Ketchum, Idaho
c. The City of Hailey, Idaho
d. Blaine County, Idaho [non-voting]

2. FSVA is an Idaho non-profit corporation with an IRC 501(c)(6) designation engaged in the business of domestically marketing the Sun Valley, Idaho resort area as a destination resort as further described in **Exhibit "A".**

3. Pursuant to Idaho Code §§ 67-2328, 50-301 and 50-302, the ASB is empowered to enter into contracts and take such steps as arc reasonably necessary to maintain the peace, good government and welfare of the Component Members and their trade, commerce and industry. Accordingly, the ASB has the power as conferred by the State of Idaho, to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic well-being of the Component Members.

4. The following ordinances have been adopted by certain Component Members (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees ("MRG's") 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:

a. Sun Valley Ordinance No. 45G.
b. Ketchum Ordinance No. 1108.
c. Hailey Ordinance No. 1133.

5. The primary reason for the ASB to enter this Contract is to effectuate the purposes of the local option taxes and Component Member ordinances recited above.

6. FSVA's mission is to retain, develop and improve air service to the Friedman Memorial Airport (SUN) in Blaine County.

7. The organizational goals of FSVA are consistent with the purposes and findings of the ordinances recited above.

8. It is the intention of the ASB to contract with FSVA to provide such services for consideration as hereinafter provided, subject to the tracking and reporting requirements described herein.

9. FSVA desires to enter into a contract with the ASB to retain, develop and improve air service as hereinafter provided.

10. ASB and FSVA intend to dedicate local option taxes to the payment of MRG's, bussing costs for airline passengers due to weather related flight diversions and any applicable start-up costs ("Air Service Contract Costs"). Sun Valley Company has entered into one seasonal contract with United Airlines (providing air service to and from San Francisco and Denver) and one annual contact with Alaska Airlines (providing service to and from Los Angeles and Seattle) which require the payment of Air Service Contract Costs. The contracts between Sun Valley Company and United Airlines and Alaska Airlines contain confidentiality provisions. FSVA and Sun Valley Company have agreed that Sun Valley Company shall pay all of the Air Service Contract Costs under the contracts with United Airlines and Alaska Airlines but be reimbursed by FSVA in an amount not to exceed One Million One Hundred Eighty Five Thousand and no/100's Dollars ($1,185,000) for 50% of the Air Service Contract Costs from funds received by FSVA from ASB.

11. ASB and FSVA intend to honor the confidentiality provisions in the United Airlines and Alaska Airlines contracts but verify the amount of the MRG's and bussing expenses by examining the invoices for Air Service Contract Costs in executive session.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, it is agreed by and between the ASB and FSVA as follows:

1. All Recitals above are incorporated herein by reference.

2. Services. FSVA agrees to retain, develop and improve air service consisting of securing and management air service into Friedman Memorial Airport; providing other air service support; pursuing new and/or expanded air service; and other air service development related tasks ("Air Service Development") as more particularly set forth in **Exhibit "A"**, which is incorporated herein by reference, and to pay no more than 50% of the Air Service Contract Costs.

3. Expenses. FSVA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.

4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate September 30, 2016. This Contract shall be automatically extended for one (1) year terms, unless notice is provided as set forth herein. Such notice shall be served not less than sixty (60) days prior to the expiration of any annual term. This Contract may be amended to increase the length of the term if so determined by the parties.

5. Consideration.

   A. Air Service Contract Costs and Air Service Development Reimbursement. During the term of this Contract, ASB shall pay FSVA, as reimbursement for Air Service Contract Costs and as payment for Air Service Development, a maximum sum not to exceed One Million Three Hundred Thousand Dollars and no/100's Dollars ($1,300,000), for the present fiscal year ending September 30, 2016 ("FY 16"), payable on a monthly basis. The maximum payment for Air Service Contract Costs shall not exceed One Million One Hundred Eighty Five Thousand and no/100's Dollars ($1,185,000), while the maximum payment for Air Service Development shall not exceed One Hundred Fifteen Thousand and no/100's Dollars ($115,000). Each monthly payment shall be calculated by multiplying the percentage under "% of Available Funds" for FSVA as set forth in the Payment Schedule attached hereto as **Exhibit "B"** by the actual amount of local option taxes received by the ASB, less direct costs, administrative expenses, and fund balance, which is described as "Funds Available for Contracts'', as depicted in the Payment Schedule attached hereto as **Exhibit "B".** In the event the monthly payments derived during FY 16 would exceed $1,300,000, the last monthly payment(s) shall be reduced to ensure only a payment of $1,300,000. In the event the monthly payments derived during FY 16 are less than $1,300,000, FSVA shall not be entitled to the difference

between the total of the monthly payments and $1,300,000. FSVA shall reimburse Sun Valley Company for Air Service Contract Costs a maximum of 50% of the actual payment for MRG's, 75% of the actual payment for bussing and 50% of any applicable start-up costs required under each of the United and Alaska Airlines contracts described in Recital 10, above. The Payment Schedule for each subsequent fiscal year may be amended by the parties as part of that fiscal year's budget process.

B. Limitation of Funds. Funds paid by ASB to FSVA shall only be used for the purposes set forth in this Contract, and for no other purpose. In the event FSVA pays Sun Valley Company pursuant to the contracts described in Recital 10, above, less than the maximum amount of One Million One Hundred Eighty Five Thousand Dollars ($1,185,000) described in Paragraph 5(A), above, the difference may be retained by FSVA but such amount shall only be used for reimbursement of Air Service Contract Costs, if approved by ASB, under other airline contracts, subject to the same limitations set forth in this Contract.

6. Reporting Requirements. In consideration and as part of this Contract, FSVA agrees to provide to the ASB:

A. Written and in-person presentations and reports in January and July during the term of this Contract or as otherwise scheduled by the parties outlining program results and plans for the upcoming season and explaining annual performance based on the metrics specified in attached Exhibit "A". Semi-annual reports will be based on the government fiscal year of October 1st to September 30'".

B. The ASB has at all times the right to request an independent audit, at the sole cost of FSVA, under the provisions herein, and such audit obligation and cost on the part of FSVA shall survive any termination.

C. The ASB may request additional financial information it deems necessary or appropriate to assist the ASB in verifying the accuracy of the FSVA's financial records, and within a reasonable time period, FSVA shall submit such information or reports relating to its activities under this Contract to ASB in such form and at such time as ASB may reasonably require. Any duly authorized agents of the ASB shall be entitled to inspect and audit all books and records of FSVA for compliance with the terms of this Contract. Any record provided hereunder which would covered by the confidentiality provisions described in

Recital 11, above, shall not be disclosed unless ordered by a court of competent jurisdiction or unless consent is provided by the Sun Valley Company and the relevant airline. FSVA agrees to retain all financial records, supporting documents, statistical reports, contracts, minutes, correspondence, and all other accounting records or written materials pertaining to this Contract for three (3) years following the expiration or termination of this Contract.

D. Invoices and supporting documents from United Airlines and Alaska Airlines for the Air Service Contract Costs to be paid by Sun Valley Company. Submittal of such invoices and documents is a condition precedent to the payment of the amount by FSVA to Sun Valley Company under Paragraph 5(A), above. Such invoices shall be presented to the ASB by FSVA in executive session.

7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to FSVA with or without cause. The ASB recognizes that the FSVA has made significant financial commitments *(e.g.,* vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to FSVA under this Contract at the end of the 90 day period.

8. Equal Employment Opportunity. FSVA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.

9. Independent Contractor Status. The parties acknowledge and agree that FSVA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. FSVA shall create, direct and control its own means and methods of performing this Contract. FSVA and its agents, members, employees and volunteers shall not accrue leave, retirement, insurance, bonding or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by FSVA in a competent, efficient and satisfactory manner.

10. Hold Harmless Agreement. FSVA hereby covenants and agrees to indemnify, defend and hold the ASB and the Component Members, and their officials, officers, employees and agents harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of non-disclosure of information pursuant to Paragraph 6(D) of this Contract or by reason of any wrongful act or omission on the part of FSVA, its agents, employees, assigns or subcontractors, related to damages or bodily injury, property damage

and personal injury that arise out of FSVA's actions or omissions associated with the services or obligations described in this Contract. FSVA shall have the duty to appear and defend any such demand, claim, suit or action on behalf of ASB and the Component Members, or tender the defense without cost or expense to ASB and the Component Members.

11. Non-Assignment. This Contract may not be assigned by or transferred by FSVA, in whole or in part, without the prior written consent of the ASB.

12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of any such dispute in Blaine County, Idaho. If mediation is unsuccessful, then the dispute, shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.

13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract nor are any public funds committed beyond the current fiscal year. The terms of this Contract arc contingent upon sufficient appropriations being made each fiscal year by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by FSVA. ASB's decision as to whether sufficient appropriations are available shall be accepted by FSVA and shall be final. FSVA HAS NO RIGHT TO COMPEL COMPONENT MEMBERS TO LEVY OR COLLECT TALXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR. In the event that this provision conflicts with any other provision in the Agreement, this provision shall prevail.

15. Miscellaneous Provisions.

    a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Contract or any of the provisions of the Contract.

b. Provisions Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Contract are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

d. Successor and Assigns. This Contract and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.

g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.

h. No Waiver. No waiver of any breach by either party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.

i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the parties.

j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:

a. ASB: P.O. Box 3801, Ketchum, Idaho 83340

b. FSVA: P.O. Box 6316, Ketchum, Idaho 83340

k. Fiscal Year. For the purpose of this Contract, the fiscal year is considered a government fiscal year between October 1 and September 30 of the following year.

l. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first set forth above.

Signatures:

Dated: _____	The Sun Valley Air Services Board, An Idaho Joint Powers Authority By: _____ Its: _____
Dated: _____	FSVA, an Idaho Non-Profit Corporation By: _____ Its: President

EXHIBIT A

MISSION

Retain, develop and improve air service to the Wood River Valley.

ORGANIZATIONAL STRUCTURE

Fly Sun Valley Alliance (FSVA) is an Idaho non-profit 501c(6) corporation with both private and public sector volunteer board members representing governments, organizations and businesses throughout Blaine County.

SCOPE OF WORK

AIR SERVICE DEVELOPMENT

Secure & Manage Contract Air Service: Currently Alaska for SEA & LAX flights; United for SFO & DEN flights

- Negotiate air service contract terms with airlines, in partnership with SV Resort :
  - Operating season and schedules
  - MRG cap amount; analysis of cost per flight & projected revenues
  - LOC requirements
  - Weather diversion busing provisions
- Monitor bookings on weekly basis; cost & revenue monthly
- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare adjustment discussions with airlines where appropriate
- Coordinate airline marketing efforts for SUN with other partners (SVMA, SVR, ITC, etc.)
- Support coordination of start-up effort for new service (as needed) – launch celebrations, marketing, etc.
- Organize and support enhanced weather diversion bussing program for SUN commercial air travelers

Manage & Support Non Contract Air Service: Currently Delta for SLC-SUN, LAX-SUN flights

- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare & schedule adjustment discussions with airline where appropriate
- Coordinate airline marketing efforts for SUN with other partners (SVMA, SVR, ITC, etc.)
- Organize and support enhanced weather diversion bussing program for SUN commercial air travelers

RESEARCH

- Conduct air passenger survey research at SUN during winter & summer/fall seasons
- Collect/analyze/report survey results re: travel trends, demographics, economic impact
- Monitor monthly enplanement, seat occupancy, other air service data

COMMUNITY OUTREACH/EDUCATION - LOCAL AIR MARKETING

- Maintain FSVA website, www.flysunvalleyalliance.com, with information on SUN air service, news, studies, etc.
- Provide ongoing public outreach/communications via Enews, social media, meetings, presentations, other
- Create & implement local air service marketing/PR programs targeted to local and regional air travelers
- Assist with coordination of local marketing of flights/fares sales, etc. with airlines and local/state partners

KEY PEFORMANCE METRICS

Retain/Expand Current Air Service

- Retain contracted nonstop SEA,LAX, SFO, DEN flights; optimize air service schedules/frequency as feasible (inc SLC)

Minimize Air Service Contract Costs

- Work with airlines/marketing partners to increase load factors & minimize air service costs *(Joint goal: 80% LF)*
- Work with airlines to make SUN fares as competitive as possible. Reduce local market air passenger leakage.

New Air Service

- Pursue new nonstop flight market(s) for 2016/17

Research

- Conduct 1000+ air passenger surveys at SUN; conduct competitive analysis, economic impact and ROI research.

EXHIBIT B
FY 2015 - 2016 PAYMENT SCHEDULE

1% LOT Generated	1% LOT Received	Sun Valley	Ketchum	Hailey	TOTAL	Communities' Direct Costs	LOT Funds from Communities	Air Service Board Administrative Expenses	Fund Balance Applied	Funds Available for Contracts	Fly SV Alliance Contract Expenses	% of Available Funds	SVMA Contract Expenses	% of Available Funds
									$270,000	$270,000	$54,000	20%	$216,000	80%
Oct-15	Dec-15	$20,333	$129,163	$6,445	$155,942	-$5,824	$150,118	-$2,955		$147,163	$29,433	20%	$117,730	80%
Nov-15	Jan-16	$12,200	$112,892	$4,518	$129,610	-$6,196	$123,413	-$125		$123,288	$24,658	20%	$98,631	80%
Dec-15	Feb-16	$36,600	$108,867	$2,528	$147,995	-$6,141	$141,854	-$125		$141,729	$28,346	20%	$113,383	80%
Jan-16	Mar-16	$28,467	$232,975	$4,800	$266,242	-$6,204	$260,038	-$125		$259,913	$51,983	20%	$207,930	80%
Feb-16	Apr-16	$36,600	$151,450	$9,118	$197,168	-$6,325	$190,842	-$125		$190,717	$38,143	20%	$152,574	80%
Mar-16	May-16	$36,600	$162,569	$6,075	$205,244	-$6,240	$199,004	-$125		$198,879	$159,103	80%	$39,776	20%
Apr-16	Jun-16	$12,200	$144,910	$6,144	$163,254	-$6,242	$157,012	-$625		$156,387	$140,749	90%	$15,639	10%
May-16	Jul-16	$16,267	$90,832	$2,722	$109,821	-$6,146	$103,675	-$125		$103,550	$93,195	90%	$10,355	10%
Jun-16	Aug-16	$36,600	$89,528	$3,321	$129,449	-$6,163	$123,286	-$125		$123,161	$110,845	90%	$12,316	10%
Jul-16	Sep-16	$69,133	$148,216	$5,667	$223,016	-$6,229	$216,786	-$125		$216,661	$194,995	90%	$21,666	10%
Aug-16	Oct-16	$65,067	$210,374	$12,753	$288,194	-$6,427	$281,767	-$125		$281,642	$253,477	90%	$28,164	10%
Sep-16	Nov-16	$36,600	$202,353	$12,910	$251,863	-$6,431	$245,432	-$125		$245,307	$121,074	49%	$124,233	51%
		$406,667	$1,784,129	$77,001	$2,267,797	-$74,570	$2,193,227	-$4,830	$270,000	$2,458,397	$1,300,000		$1,158,397	

SUN VALLEY
AIR SERVICE BOARD

CONTRACT FOR SERVICES
BETWEEN THE
SUN VALLEY AIR SERVICE BOARD AND
SVMA

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this ~~12th~~ 7th day of ~~March~~December, ~~2014~~2015, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and the Sun Valley Marketing Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c) (6) designation, (hereinafter referred to as "SVMA").

Formatted: Superscript

RECITALS

1. The ASB is a duly organized and existing Joint Powers Authority organized as a separate legal entity under Idaho Code §§ 67- 2328 *et seq.* The ASB is made up of the following entities (hereinafter referred to as "Component Members"):

a. The City of Sun Valley, Idaho
b. The City of Ketchum, Idaho
c. The City of Hailey, Idaho
d. Blaine County, Idaho [non-voting]

2. SVMA is an Idaho non-profit corporation with an IRC 501(c)(6) designation engaged in the business of domestically marketing the Sun Valley, Idaho resort area as a destination resort as further described in **Exhibit "A".**

3. Pursuant to Idaho Code §§ 67-2328, 50- 301 and 50- 302, the ASB is empowered to enter into contracts and take such steps as arc reasonably necessary to maintain the peace, good government and welfare of the Component Members and their trade, commerce and industry. Accordingly, the ASB has the power as conferred by the State of Idaho, to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic well-being of the Component Members.

4. The following ordinances have been adopted by certain Component Members (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees ("MRG's") 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:

a. Sun Valley Ordinance No. 45G.
b. Ketchum Ordinance No. 1108.
c. Hailey Ordinance No. 1133.

5. The primary reason for the ASB to enter this Contract is to effectuate the purposes of the local option taxes and Component Member ordinances recited above.

6. SVMA is to provide air service marketing services to promote air travel to and from Friedman Memorial Airport.

7. The organizational goals of SVMA are consistent with the purposes and findings of the ordinances recited above.

8. It is the intention of the ASB to contract with SVMA to provide such services for consideration as hereinafter provided, subject to the tracking and reporting requirements described herein.

9. SVMA desires to enter into a contract with the ASB to provide air services marketing services all as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, it is agreed by and between the ASB and SVMA as follows:

1. All Recitals above are incorporated herein by reference.

2. Services. SVMA agrees to provide air service marketing services to the ASB consisting of marketing goals and objectives: creative strategy; media purchase; campaign assets and public relations efforts in air service markets, including key monitoring and tracking of advertising efforts to ensure effectiveness ("Marketing Services"), and as more particularly set forth in **Exhibit "A"**, which is incorporated herein by reference.

3. Expenses. SVMA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.

4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate September 30, ~~2015~~2016.- This Contract shall be automatically extended for one (1)

year terms, unless notice is provided as set forth herein. Such notice shall be served not less than sixty (60) days prior to the expiration of any annual term. This ~~c~~Contract may be amended to increase the length of the term if so determined by the parties.

5. Consideration. During the term of this Contract, ASB shall pay SVMA, as payment for Marketing Services, a maximum sum not to exceed One Million ~~Five~~ One Hundred ~~Eighty Two~~Fifty Eight Thousand ~~Six~~ Three Hundred ~~Fifty Four~~Ninety Seven and no/100's Dollars ($~~582,654.00~~1,158,397), for the present fiscal year ending September 30, ~~2014~~ 2016 ("FY ~~14~~16"), payable on a monthly basis. Each monthly payment shall be calculated by multiplying the percentage under "% of Available Funds" for SVMA as set forth in the Payment Schedule attached hereto as **Exhibit "B"** by the actual amount of local option taxes received by the ASB, less direct costs, administrative expenses, legal reserves and fund balance, which is described as "Funds Available for Contracts", as depicted in the Payment Schedule attached hereto as **Exhibit "B".** In the event the monthly payments derived during FY ~~14~~ 16 would exceed $~~582,654~~1,158,397, the last monthly payment(s) shall be reduced to ensure only a payment of $~~582,654~~1,158,397. In the event the monthly payments derived du-ring FY ~~14~~ 16 are less than $~~582,654~~1,158,397, FSVA shall not be entitled to the difference between the total of the monthly payments and $~~582,654~~1,158,397. The Payment Schedule for each subsequent ~~the~~ fiscal year ~~between October 1, 2014 and September 30, 2015 ("FY 15")~~ may be amended by the parties as part of ~~the~~ that fiscal year's ~~FY 15~~ budget process.

6. Reporting Requirements. In consideration and as part of this Contract, SVMA agrees to provide to the ASB:

   A. Written and in-person presentations and reports in ~~November~~ January and ~~May~~July during the term of this Contract or as otherwise scheduled by the parties outlining program results and plans for the upcoming season and explaining annual performance based on the metrics specified in attached Exhibit "A". Semi-annual reports will be based on the government fiscal year of October 1st to September 30'".

   B. The ASB has at all times the right to request an independent audit, at the sole cost of SVMA, under the provisions herein, and such audit obligation and cost on the part of SVMA shall survive any termination.

   C. The ASB may request additional financial information it deems necessary or appropriate to assist the ASB in verifying the accuracy of the SVMA's financial records, and within a reasonable time period, SVMA shall submit such information or reports relating to its activities under this Contract to ASB in

such form and at such time as ASB may reasonably require. Any duly authorized agents of the ASB shall be entitled to inspect and audit all books and records of SVMA for compliance with the terms of this Contract. SVMA agrees to retain all financial records, supporting documents, statistical reports, contracts, minutes, correspondence, and all other accounting records or written materials pertaining to this Contract for three (3) years following the expiration or termination of this Contract.

7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to SVMA with or without cause. The ASB recognizes that the SVMA has made significant financial commitments *(e.g.,* vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to SVMA under this Contract at the end of the 90 day period.

8. Equal Employment Opportunity. SVMA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.

9. Independent Contractor Status. The parties acknowledge and agree that SVMA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. SVMA shall create, direct and control its own means and methods of performing this Contract. SVMA and its agents, members, employees and volunteers shall not accrue leave, retirement, insurance, bonding or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by SVMA in a competent, efficient and satisfactory manner.

10. Hold Harmless Agreement. SVMA hereby covenants and agrees to indemnify, defend and hold the ASB and the Component Members, and their officials, officers, employees and agents harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of any wrongful act or omission on the part of SVMA, its agents, employees, assigns or subcontractors, related to damages or bodily injury, property damage and personal injury that arise out of SVMA's actions or omissions associated with the services or obligations described in this Contract. SVMA shall have the duty to appear and defend any such demand, claim, suit or action on behalf of ASB and the Component Members, or tender the defense without cost or expense to ASB and the Component Members.

11. Non-Assignment. This Contract may not be assigned by or transferred by SVMA, in whole or in part, without the prior written consent of the ASB.

12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of any such dispute in Blaine County, Idaho. If mediation is unsuccessful, then the dispute, shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.

13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract nor are any public funds committed beyond the current fiscal year. The terms of this Contract arc contingent upon st1fficicnt appropriations being made each fiscal year by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by SVMA. ASB's decision as to whether sufficient appropriations are available shall be accepted by SVMA and shall be final. SVMA HAS NO RIGHT TO COMPEL COMPONENT MEMBERS TO LEVY OR COLLECT TALXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR. In the event that this provision conflicts with any other provision in the Agreement, this provision shall prevail.

15. Miscellaneous Provisions.

    a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Contract or any of the provisions of the Contract.

    b. Provisions Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

    c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any party shall

not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Contract are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

d. Successor and Assigns. This Contract and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.

g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.

h. No Waiver. No waiver of any breach by either party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.

i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the parties.

j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:

a. ASB: P.O. Box 3801, Ketchum, Idaho 83340

b. SVMA: P.O. Box 4934~~6316~~, Ketchum, Idaho 83340

k. Fiscal Year. For the purpose of this Contract, the fiscal year is considered a government fiscal year between October 1 and September 30 of the following year.

l. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.

SUN VALLEY
AIR SERVICE BOARD

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first set forth above.

Signatures:

Dated: _____	The Sun Valley Air Services Board, An Idaho Joint Powers Authority By: _____ Its: _____
Dated: _____	SVMA, an Idaho Non-Profit Corporation By: _____ Its: President

SUN VALLEY
AIR SERVICE BOARD

CONTRACT FOR SERVICES
BETWEEN THE
SUN VALLEY AIR SERVICE BOARD AND
SVMA

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this 7th day of December, 2015, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and the Sun Valley Marketing Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c) (6) designation, (hereinafter referred to as "SVMA").

RECITALS

1. The ASB is a duly organized and existing Joint Powers Authority organized as a separate legal entity under Idaho Code §§ 67- 2328 *et seq.* The ASB is made up of the following entities (hereinafter referred to as "Component Members"):

a. The City of Sun Valley, Idaho
b. The City of Ketchum, Idaho
c. The City of Hailey, Idaho
d. Blaine County, Idaho [non-voting]

2. SVMA is an Idaho non-profit corporation with an IRC 501(c)(6) designation engaged in the business of domestically marketing the Sun Valley, Idaho resort area as a destination resort as further described in **Exhibit "A".**

3. Pursuant to Idaho Code §§ 67-2328, 50- 301 and 50- 302, the ASB is empowered to enter into contracts and take such steps as arc reasonably necessary to maintain the peace, good government and welfare of the Component Members and their trade, commerce and industry. Accordingly, the ASB has the power as conferred by the State of Idaho, to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic well-being of the Component Members.

4. The following ordinances have been adopted by certain Component Members (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees ("MRG's") 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:

a. Sun Valley Ordinance No. 45G.
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5. The primary reason for the ASB to enter this Contract is to effectuate the purposes of the local option taxes and Component Member ordinances recited above.

6. SVMA is to provide air service marketing services to promote air travel to and from Friedman Memorial Airport.

7. The organizational goals of SVMA are consistent with the purposes and findings of the ordinances recited above.

8. It is the intention of the ASB to contract with SVMA to provide such services for consideration as hereinafter provided, subject to the tracking and reporting requirements described herein.

9. SVMA desires to enter into a contract with the ASB to provide air services marketing services all as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, it is agreed by and between the ASB and SVMA as follows:

1. All Recitals above are incorporated herein by reference.

2. Services. SVMA agrees to provide air service marketing services to the ASB consisting of marketing goals and objectives: creative strategy; media purchase; campaign assets and public relations efforts in air service markets, including key monitoring and tracking of advertising efforts to ensure effectiveness ("Marketing Services"), and as more particularly set forth in **Exhibit "A"**, which is incorporated herein by reference.

3. Expenses. SVMA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.

4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate September 30, 2016. This Contract shall be automatically extended for one (1) year

terms, unless notice is provided as set forth herein. Such notice shall be served not less than sixty (60) days prior to the expiration of any annual term. This Contract may be amended to increase the length of the term if so determined by the parties.

5. Consideration. During the term of this Contract, ASB shall pay SVMA, as payment for Marketing Services, a maximum sum not to exceed One Million One Hundred Fifty Eight Thousand Three Hundred Ninety Seven and no/100's Dollars ($1,158,397), for the present fiscal year ending September 30, 2016 ("FY 16"), payable on a monthly basis. Each monthly payment shall be calculated by multiplying the percentage under "% of Available Funds" for SVMA as set forth in the Payment Schedule attached hereto as **Exhibit "B"** by the actual amount of local option taxes received by the ASB, less direct costs, administrative expenses, legal reserves and fund balance, which is described as "Funds Available for Contracts'', as depicted in the Payment Schedule attached hereto as **Exhibit "B".** In the event the monthly payments derived during FY 16 would exceed $1,158,397, the last monthly payment(s) shall be reduced to ensure only a payment of $1,158,397. In the event the monthly payments derived during FY 16 are less than $1,158,397, FSVA shall not be entitled to the difference between the total of the monthly payments and $1,158,397. The Payment Schedule for each subsequent fiscal year may be amended by the parties as part of that fiscal year's budget process.

6. Reporting Requirements. In consideration and as part of this Contract, SVMA agrees to provide to the ASB:

   A. Written and in-person presentations and reports in January and July during the term of this Contract or as otherwise scheduled by the parties outlining program results and plans for the upcoming season and explaining annual performance based on the metrics specified in attached Exhibit "A". Semi-annual reports will be based on the government fiscal year of October 1st to September 30'".

   B. The ASB has at all times the right to request an independent audit, at the sole cost of SVMA, under the provisions herein, and such audit obligation and cost on the part of SVMA shall survive any termination.

   C. The ASB may request additional financial information it deems necessary or appropriate to assist the ASB in verifying the accuracy of the SVMA's financial records, and within a reasonable time period, SVMA shall submit such information or reports relating to its activities under this Contract to ASB in such form and at such time as ASB may reasonably require. Any duly authorized agents of the ASB shall be entitled to inspect and audit all books and records of

SVMA for compliance with the terms of this Contract. SVMA agrees to retain all financial records, supporting documents, statistical reports, contracts, minutes, correspondence, and all other accounting records or written materials pertaining to this Contract for three (3) years following the expiration or termination of this Contract.

7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to SVMA with or without cause. The ASB recognizes that the SVMA has made significant financial commitments *(e.g.,* vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to SVMA under this Contract at the end of the 90 day period.

8. Equal Employment Opportunity. SVMA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.

9. Independent Contractor Status. The parties acknowledge and agree that SVMA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. SVMA shall create, direct and control its own means and methods of performing this Contract. SVMA and its agents, members, employees and volunteers shall not accrue leave, retirement, insurance, bonding or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by SVMA in a competent, efficient and satisfactory manner.

10. Hold Harmless Agreement. SVMA hereby covenants and agrees to indemnify, defend and hold the ASB and the Component Members, and their officials, officers, employees and agents harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of any wrongful act or omission on the part of SVMA, its agents, employees, assigns or subcontractors, related to damages or bodily injury, property damage and personal injury that arise out of SVMA's actions or omissions associated with the services or obligations described in this Contract. SVMA shall have the duty to appear and defend any such demand, claim, suit or action on behalf of ASB and the Component Members, or tender the defense without cost or expense to ASB and the Component Members.

11. Non-Assignment. This Contract may not be assigned by or transferred by SVMA, in whole or in part, without the prior written consent of the ASB.

12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of any such dispute in Blaine County, Idaho. If mediation is unsuccessful, then the dispute, shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.

13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract nor are any public funds committed beyond the current fiscal year. The terms of this Contract arc contingent upon st1fficicnt appropriations being made each fiscal year by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by SVMA. ASB's decision as to whether sufficient appropriations are available shall be accepted by SVMA and shall be final. SVMA HAS NO RIGHT TO COMPEL COMPONENT MEMBERS TO LEVY OR COLLECT TALXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR. In the event that this provision conflicts with any other provision in the Agreement, this provision shall prevail.

15. Miscellaneous Provisions.

    a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Contract or any of the provisions of the Contract.

    b. Provisions Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

    c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Contract are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

d. Successor and Assigns. This Contract and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.

g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.

h. No Waiver. No waiver of any breach by either party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.

i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the parties.

j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:

a. ASB: P.O. Box 3801, Ketchum, Idaho 83340

b. SVMA: P.O. Box 4934, Ketchum, Idaho 83340

k. Fiscal Year. For the purpose of this Contract, the fiscal year is considered a government fiscal year between October 1 and September 30 of the following year.

l. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.

SUN VALLEY
AIR SERVICE BOARD

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first set forth above.

Signatures:

Dated: _____	The Sun Valley Air Services Board, An Idaho Joint Powers Authority By: _____ Its: _____
Dated: _____	SVMA, an Idaho Non-Profit Corporation By: _____ Its: President

EXHIBIT A

SCOPE OF WORK

Mission
To raise awareness of Sun Valley and increase visitor traffic from our target markets.

Organizational Structure
Sun Valley Marketing Alliance, Inc. DBA Visit Sun Valley is an Idaho non-profit 501c(6) corporation. The board of directors is made up of 5 directors representing the City of Ketchum, the City of Sun Valley, the Sun Valley Resort, an at-large director, and a member-elected director. There are 3 staff members plus part-time visitor center agents.

SPECIFIC SCOPE OF WORK FOR AIR SERVICE BOARD

Visit Sun Valley's core funding covers all base functions including overhead and staff. Therefore, the incremental funds from the new 1% will be put directly into external marketing for the air service markets as detailed below. The bulk of the funds will be allocated directly to incremental advertising (shown in bold below) since the core budget also contributes to the activities listed below (such as social media, website, photography and video).

Winter 2015/16 and Summer 2016 Campaigns

- Creative briefs developed outlining goals and objectives for the campaigns
- Creative strategy confirmed as per the above brief
- Campaign assets (photography, video) developed in support of the campaign
- Digital, print and out-of-home (if applicable) ads will be developed
- **Media buys will be planned, negotiated, developed, executed and monitored for each target market (Seattle, Los Angeles, San Francisco, Denver, New York and Chicago) for Winter 2015/2016 and Summer 2016**
- PR efforts in support of the direct air service in each of these market
- Monitoring and tracking of digital advertising buy; adjusting messaging and creative as required throughout the season to optimize results
- Managing the area website to increase visitation and maximize conversion (bookings via the website or directly with key partners)
- Leveraging current partners to extend media reach through advertising, PR and Social Media (including the Sun Valley Resort and the Idaho Travel Council).
- Maximizing the use of Social Media in support of the new flights via our existing social media properties
- Tracking and reporting results

Key Performance Indicators

Visit Sun Valley will report on the following metrics as indicators of success:

- Changes in local option tax
- Total enplanements
- Occupancy and room nights sold for Ketchum, Sun Valley and Hailey
- Website Visits by target market
- Advertising effectiveness (as measured by click-through rates, conversion and total reach)

Appendix A:

General Scope of Work (not specific to ASB contract, but essential to the overall marketing for the area)

Visit Sun Valley currently has a contract for services with the City of Sun Valley and the City of Ketchum to undertake the strategic marketing for the area. Funding is also received from the Idaho Travel Council and the membership. The overall scope of work includes:

- ***Strategic Marketing:*** Strategic Marketing includes advertising, public relations, social media, partnerships and promotions. All of the marketing efforts drive to the official website for the area, www.visitsunvalley.com.

- ***Research:*** Visit Sun Valley manages the area's occupancy reporting, maintains a visitor volume estimation model, and undertakes primary research in key target markets.

- ***Membership:*** Visit Sun Valley represents approximately 360 member businesses in Ketchum, Sun Valley, Hailey, and the surrounding areas.

- ***Visitor Services:*** Visit Sun Valley manages the Visitor Information Center and provides in-person assistance to visitors 365 days per year. Visit Sun Valley also responds to visitor queries via Live Chat and Contact Us forms and manages the website and mobile site for the area.

EXHIBIT B
FY 2015 - 2016 PAYMENT SCHEDULE

1% LOT Generated	1% LOT Received	Sun Valley	Ketchum	Hailey	TOTAL	Communities' Direct Costs	LOT Funds from Communities	Air Service Board Administrative Expenses	Fund Balance Applied	Funds Available for Contracts	Fly SV Alliance Contract Expenses	% of Available Funds	SVMA Contract Expenses	% of Available Funds
									$270,000	$270,000	$54,000	20%	$216,000	80%
Oct-15	Dec-15	$20,333	$129,163	$6,445	$155,942	-$5,824	$150,118	-$2,955		$147,163	$29,433	20%	$117,730	80%
Nov-15	Jan-16	$12,200	$112,892	$4,518	$129,610	-$6,196	$123,413	-$125		$123,288	$24,658	20%	$98,631	80%
Dec-15	Feb-16	$36,600	$108,867	$2,528	$147,995	-$6,141	$141,854	-$125		$141,729	$28,346	20%	$113,383	80%
Jan-16	Mar-16	$28,467	$232,975	$4,800	$266,242	-$6,204	$260,038	-$125		$259,913	$51,983	20%	$207,930	80%
Feb-16	Apr-16	$36,600	$151,450	$9,118	$197,168	-$6,325	$190,842	-$125		$190,717	$38,143	20%	$152,574	80%
Mar-16	May-16	$36,600	$162,569	$6,075	$205,244	-$6,240	$199,004	-$125		$198,879	$159,103	80%	$39,776	20%
Apr-16	Jun-16	$12,200	$144,910	$6,144	$163,254	-$6,242	$157,012	-$625		$156,387	$140,749	90%	$15,639	10%
May-16	Jul-16	$16,267	$90,832	$2,722	$109,821	-$6,146	$103,675	-$125		$103,550	$93,195	90%	$10,355	10%
Jun-16	Aug-16	$36,600	$89,528	$3,321	$129,449	-$6,163	$123,286	-$125		$123,161	$110,845	90%	$12,316	10%
Jul-16	Sep-16	$69,133	$148,216	$5,667	$223,016	-$6,229	$216,786	-$125		$216,661	$194,995	90%	$21,666	10%
Aug-16	Oct-16	$65,067	$210,374	$12,753	$288,194	-$6,427	$281,767	-$125		$281,642	$253,477	90%	$28,164	10%
Sep-16	Nov-16	$36,600	$202,353	$12,910	$251,863	-$6,431	$245,432	-$125		$245,307	$121,074	49%	$124,233	51%
		$406,667	$1,784,129	$77,001	$2,267,797	-$74,570	$2,193,227	-$4,830	$270,000	$2,458,397	$1,300,000		$1,158,397	

SUN VALLEY AIR SERVICE BOARD

INVOICES TO BE PAID

Through November 30, 2015

Fly Sun Valley Alliance	July 2015 LOT Invoice	$296,672.92
Fly Sun Valley Alliance	August 2015 LOT Invoice	$131,199.41
TOTAL		$427,872.33

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
9/30/2015	163

Bill To
Sun Valley Air Service Board Attn: Sandy C & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT - July 2015 Collections - September 2015 FSVA Contract Services	296,672.92	296,672.92
		Total	$296,672.92

FLY SUN VALLEY ALLIANCE

IMPROVING AIR SERVICE TO SUN VALLEY

TO: SUN VALLEY AIR SERVICE BOARD

SERVICES RENDERED – September 2015

AIR SERVICE

AIR SERVICE RETENTION, IMPROVEMENT, DEVELOPMENT

- Reviewed/monitored ongoing booking, revenue, load factor stats for 2015 summer flights; analyzed impact of key schedule and cost changes, ROI, marketing, etc.
- Ongoing analysis of seat, enplanements, load factors by season by market; for SUN and competitive markets
- Continued strategic planning and analysis regarding future air service needs and opportunities for FY16 and beyond
- Continued planning for fall meetings with airlines to discuss FY16 summer and FY17 service
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed. Made presentation to ASB covering summer 2015 update and FY16 contract scope of work and budget.
- Continued work with bus contractor and airline/airport partners on diversion bussing improvements for FY16; organized meeting with all partners to discuss upcoming season details

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and ongoing social media postings
- Began developing new responsive FSVA website to allow easier access to flight and air service information
- Updated winter air service schedules as needed; shared with key partners
- Created/executed ongoing local area marketing/ PR for air service; in partnership with FMA. *(print, digital, tv)*
    - *Winter publications, SVED Economic Summit Program, Idaho Mtn Express Economic Almanac, SVPN, etc.*
- Attended various community and stakeholder meetings to continue information outreach efforts

RESEARCH/OTHER

- Managed SUN Air Passenger Summer 2015 survey collections; to be completed in October
- 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 #
10/31/2015	164

Bill To
Sun Valley Air Service Board Attn: Sandy C & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT - AUGUST 2015 COLLECTIONS - OCTOBER FSVA CONTRACT SERVICES	131,199.41	131,199.41
		Total	$131,199.41

FLY SUN VALLEY ALLIANCE

IMPROVING AIR SERVICE TO SUN VALLEY

TO: SUN VALLEY AIR SERVICE BOARD

SERVICES RENDERED – October 2015

AIR SERVICE

AIR SERVICE RETENTION, IMPROVEMENT, DEVELOPMENT

- Reviewed/monitored booking, revenue, load factor stats for 2015 summer/fall flights; analyzed impact of key schedule and cost changes, ROI, marketing, etc.
- Ongoing analysis of seat, enplanements, load factors by season by market; for SUN and competitive markets
- Continued strategic planning and analysis regarding future air service needs and opportunities for FY16 and beyond
- Met with United Airlines to discuss FY16 summer and potential FY17 service; future planning, etc.
- 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 work with bus contractor and airline/airport partners on diversion bussing improvements for FY16; organized/held meetings with all partners to discuss upcoming season details

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and ongoing social media postings; updated website as needed
- Created new responsive FSVA website to allow easier access to flight and air service information
- Created/executed ongoing local area marketing/ PR for air service; some in partnership with FMA. *(print, digital, tv)*
    - *Local area winter publications, SVED Economic Summit Program, IME Economic Almanac, SVPN, etc.*
    - *Alaska Airlines winter fare sale, promotions, more*
- Attended various community and stakeholder meetings to continue information outreach efforts

RESEARCH/OTHER

- Completed SUN Air Passenger Summer/Fall 2015 survey collections; report expected in November
- Continued work on compiling/tracking relevant news and comparative data and information of air service

SUN VALLEY AIR SERVICE BOARD
RESOLUTION 2015-01

A RESOLUTION OF THE SUN VALLEY AIR SERVICE BOARD SETTING THE SUN VALLEY AIR SERVICE BOARD MEETING DATES FOR 2016

WHEREAS, the Bylaws for the Sun Valley Air Service Board provide that meetings of the Board will be held at such time and place as is established by the Board; and

WHEREAS, the Sun Valley Air Service Board wants to establish a regular meeting schedule for 2016.

NOW, THEREFORE, BE IT RESOLVED BY THE SUN VALLEY AIR SERVICE BOARD that the regular meeting schedule of the Sun Valley Air Service Board in 2016 shall be as follows:

January 27th at 2:00 p.m.	City of Hailey, City Hall, 115 Main Street South, Hailey, ID
March 30th at 2:00 p.m.	City of Ketchum, City Hall, 480 East Avenue North, Ketchum, ID
May 25th at 2:00 p.m.	City of Sun Valley, City Hall, 81 Elkhorn Road, Sun Valley, ID
July 27th at 2:00 p.m.	City of Hailey, City Hall, 115 Main Street South, Hailey, ID
September 21st at 2:00 p.m.	City of Ketchum, City Hall, 480 East Avenue North, Ketchum, ID
December 7th at 2:00 p.m.	City of Sun Valley, City Hall, 81 Elkhorn Road, Sun Valley, ID

Regular Sun Valley Air Service Board meeting dates are subject to change due to availability of a quorum or other circumstances. Any change from the above adopted dates will be noticed in accordance with Idaho Code § 74-204, as amended.

PASSED BY THE SUN VALLEY AIR SERVICE BOARD THIS _____ DAY OF DECEMBER, 2015.

_____
Dewayne Briscoe, Chair

_____
Nina Jonas, Secretary

M E M O R A N D U M

TO: Air Service Board

FROM: Ned C. Williamson

DATE: November 23, 2015

RE: Executive Session

I understand that Fly Sun Valley Alliance ("FSVA") is requesting to meet with the Air Service Board ("ASB") to discuss potential contract negotiations with an airline to provide service into the Friedman Memorial Airport. There are only a limited number of exceptions allowing an executive session and the law expressly provides that the exceptions should be narrowly construed against executive sessions. *See generally Idaho Code § 74-201 et seq.* There are two potential exceptions.

First, Idaho Code § 74-206(1)(d) allows an executive session to consider records that are exempt from disclosure. This exception is limited to considering contracts that are exempt under the Public Records Act, Idaho Code §§ 74-101 *et seq*. As I understand the current state of negotiations, the discussions are still preliminary in nature and there is no contract to review. But, if there is a contract to review at the time of the meeting, I would anticipate the contract will address minimum revenue guarantees ("MRG's") and will require confidentiality. Under the broad definition of a trade secret found in the Public Records Act, a contractual provision establishing MRG's could be considered a trade secret. *See Idaho Code § 74-107(1).* Please note that the agenda lists Idaho Code § 74-206(1)(d) as a basis for an executive session. But if no contract is ready for review, I would not suggest going into executive session under this exception.

Second, in pertinent part, Idaho Code § 74-206(1)(e) allows an executive session to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states. I believe there are three essential elements under Idaho Code § 74-206(1)(e). First, the discussion has to be about preliminary negotiations. Second, the discussion would have to involve trade or commerce. Third, the ASB has to be in competition with governing bodies in other states. I believe the first and second element are easily met. After discussing the third element with FSVA representatives, I believe the ASB is in competition with governmental entities in other out-of-state resorts for a limited number of skiers and tourists. In addition, airlines have limited aircraft, personnel and gates to service passengers visiting this area. For these reasons, I believe it is appropriate to conduct an executive session for the purpose of considering preliminary negotiations with the airline, but I would recommend that the discussions in executive session be confined to the preliminary negotiations with the airline. In addition, please keep in mind that no final decision can be made during the executive session.

If you have any questions, please contact me. Thank you.