

11/28/12 -

These ^{JPA} documents ~~were~~ ^{was} never signed. The attorneys who drafted the document never agreed on an effective date for the JPA. ~~So~~, ^{before the Nov 6, election.} The election results are attached - this did not receive the required 60% ~~to~~ approval of Hailey voters. At this point, city attorney recommended that we document that the final JPA was never circulated or signed because it only was approved by voters of Sun Valley City.

MHC Mary Cone
City Clerk
City of Hailey

From 11/19/12 council packet

BLAINE COUNTY RESULTS
GENERAL ELECTION NOVEMBER 6, 2012

Precinct	KETCHUM LOCAL OPTION TAX	
	YES	NO
003 N Ketchum	473	344
004 S Ketchum	543	394
CO. TOTAL	1,016	738
FAILED		57.9% 42.08%

Precinct	HAILEY LOCAL OPTION TAX	
	YES	NO
007 NW Hailey	458	262
008 NE Hailey	438	255
009 SW Hailey	377	242
010 NW Woodside	282	237
011 SE Woodside	310	314
CO. TOTAL	1,865	1,310
FAILED		58.7% 41.3%

Precinct	SUN VALLEY LOCAL OPTION TAX	
	YES	NO
002 Sun Valley	492	310
CO. TOTAL	492	310

PASSED 61.4% 38.7%

40% Required to pass

HAILEY ORDINANCE NO. 1109

Not passed
by voters
60% on Nov. 6, 2012
MHC

AN ORDINANCE OF THE CITY OF HAILEY, IDAHO, AMENDING ORDINANCE NO. 950, WHICH PROVIDES FOR THE IMPOSITION OF LOCAL OPTION TAXES; AMENDING SECTIONS 5.32.030, 5.32.040 AND 5.32.050 OF THE HAILEY MUNICIPAL CODE TO PROVIDE FOR AN ADDITIONAL ONE PERCENT (1%) TAX ON RENTAL VEHICLES AND HOTEL-MOTEL OCCUPANCY FOR FIVE (5) YEARS; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City of Hailey is authorized to collect local option taxes pursuant to Hailey Ordinance Nos. 950 and 1035;

WHEREAS, the City of Hailey has determined it is in the best interest of the public to amend Ordinance No. 950 to provide for an increase to the local option non-property tax for the purpose of maintaining and increasing commercial air service;

WHEREAS, the City of Hailey desires to amend Ordinance No. 950 to increase its local option non-property tax for a period of five (5) years for the purposes set forth in the ballot set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF HAILEY, IDAHO:

Section 1. The following ballot shall be submitted to the registered voters of the City of Hailey at the November 6, 2012 election and Ordinance No. 950 shall be amended as provided for in the ballot provided that the ballot is approved by sixty percent (60%) of the registered voters that vote on such ballot:

SPECIAL NON PROPERTY TAX ELECTION

CITY OF HAILEY
STATE OF IDAHO

November 6, 2012

QUESTION: Shall the City of Hailey, Idaho adopt Ordinance No. 1109, to provide for the imposition and collection of, for a period of five (5) years from its effective date of January 1, 2013, certain non-property taxes to raise the current rates of local option taxes (LOT), as follows:

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

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

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

- a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees or other inducements to providers;
- b) promoting and marketing the existing service and any future service to increase passengers;
- c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to flight diversion(s); and
- d) direct costs to collect and enforce the tax, including administrative and legal fees.

IN FAVOR	→	
AGAINST	→	

all as provided in Ordinance No. 1109 adopted by the Hailey City Council on August 30, 2012?

Section 2. Section 5.32.030 of the Hailey Municipal Code is amended by the addition of the underlined language and by the deletion of the stricken language, as follows:

5.32.030 Imposition of Certain Non-Property Taxes. The City hereby imposes and shall collect certain non-property taxes as follows:

(A) Rental Vehicle Tax: A tax is hereby imposed at the rate of ~~three~~ four percent (34%) on the Rental Vehicle Charge for each Rental Vehicle rented or leased within the City. The Rental Vehicle tax shall apply to and be computed on the rental of all Rental Vehicles including all credit, installment, conditional or similar rental or lease fees at the time the Rental Vehicle Charge is charged. The Rental Vehicle tax shall be collected by the owner or his authorized agent from the renter or lessee.

(B) Hotel-Motel Occupancy Tax: A tax is hereby imposed at the rate of ~~three~~ four percent (34%) on the Room Occupancy Charge for each Hotel-Motel room or living unit rented or leased within the City. The Hotel-Motel occupancy tax shall apply to and be computed on the rental of all Hotel-Motel rooms including all credit, installment, conditional or similar rental or lease fees at the time the Room Occupancy Charge is charged. The Hotel-Motel occupancy tax

shall be collected by the owner of the Hotel-Motel or his authorized agent from the renter or lessee.

(C) Liquor By-The-Drink Tax: A tax is hereby imposed at rate of two percent (2%) of the Sales Price upon each Retail Sale of Liquor By-The-Drink within the City. The tax shall apply to and be computed on all Retail Sales of Liquor By-The-Drink including credit, or similar sales at the time of the sale. The Liquor By-The-Drink tax shall be collected by the retailer from the consumer.

(D) Restaurant Food Tax: A tax is hereby imposed at rate of one percent (1%) of the Sales Price upon each Retail Sale of Restaurant Food within the City. The tax shall apply to and be computed on all Retail Sales of Restaurant Food including credit, or similar sales at the time of the sale. The Restaurant Food tax shall be collected by the retailer from the consumer.

(E) Fractional Portion: When the Sales Price involves a fraction of a dollar, the non-property tax shall be collected on that fractional portion of the price adding thereto the tax based upon the following bracket system:

Rental Vehicle and Hotel-Motel Occupancy Taxes (~~34~~%)

<u>\$.01</u>	to	<u>\$.19</u>	<u>\$0.00</u>
<u>.20</u>	to	<u>.39</u>	<u>0.01</u>
<u>.40</u>	to	<u>.59</u>	<u>0.02</u>
<u>.60</u>	to	<u>.79</u>	<u>0.03</u>
<u>.80</u>	to	<u>.99</u>	<u>0.04</u>
\$.01	to	\$.24	\$0.00
.25	to	.49	0.01
.50	to	.74	0.02
.75	to	.99	0.03

(Each whole dollar \$0.034)

Liquor By-The-Drink Tax (2%)

\$0.01	to	\$0.33	\$0.00
.34	to	.66	0.01
.67	to	.99	0.02

(Each whole dollar \$0.02)

Restaurant Food Tax (1%)

\$0.01	to	\$0.49	\$0.00
.50	to	.99	0.01

(Each whole dollar \$0.01)

The retailer shall calculate the tax upon the entire amount of purchases of the consumer made at a particular time subject to this ordinance, and not separately upon each item purchased. The retailer may retain any amount collected under the bracket system which is in excess of the amount of tax for which he is liable to the City during the period as compensation for the work of collecting the tax.

(F) Monies Collected Held in Trust: All monies collected and/or retained under the provisions of this ordinance shall be held in trust for the City and for payment thereof to the City Clerk in the manner and at the times in this ordinance provided.

Section 3. Section 5.32.040 of the Hailey Municipal Code is amended by the addition of the underlined language and by the deletion of the stricken language, as follows:

5.32.040 Duration of Taxes. ~~Except as otherwise provided herein, the non-~~ property taxes authorized and collected under this ordinance are hereby imposed for a duration of twenty (20) years from the effective date of this ordinance. The one percent (1%) increase authorized by Ordinance No. 1109 for the non-property taxes collected for Rental Vehicle and Hotel-Motel Occupancy Taxes is hereby imposed for a duration of five (5) years after January 1, 2013.

Section 4. Section 5.32.050 of the Hailey Municipal Code is amended by the addition of the underlined language, as follows:

5.32.050 Purposes of Taxes. The non-property tax revenue derived from and collected under this ordinance shall be used for the following purposes:

- (A) Emergency services (rapid response, life saving, traffic enforcement, training, staffing, equipment, vehicles, etc.).
- (B) Maintenance, improvement and acquisition of parks.
- (C) Road repair, transportation enhancements and snow removal.
- (D) City promotion, visitor information, special events and economic development.
- (E) Town improvements (library modernization, sidewalks, town square, etc.).
- (F) Public transit and related improvements.
- (G) Direct cost to administer and enforce this ordinance.

The non-property tax revenue derived from and collected under this ordinance for the one percent (1%) increase for the non-property taxes collected for Rental Vehicle and Hotel-Motel Occupancy Taxes authorized by Ordinance No. 1109 shall be used for the following purposes:

- (A) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees or other inducements to providers;

(B) promoting and marketing the existing service and any future service to increase passengers;

(C) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to flight diversion(s); and

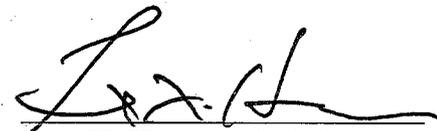
(D) direct costs to collect and enforce the tax, including administrative and legal fees.

Section 5. If any section, paragraph, sentence or provision hereof or the application thereof to any particular circumstances shall ever be held invalid or unenforceable, such holding shall not affect the remainder hereof, which shall continue in full force and effect and applicable to all circumstances to which it may validly apply.

Section 6. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 7. This Ordinance shall be in full force and effect on January 1, 2013, after voter approval, passage by the City Council and Mayor, and publication according to law.

ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED BY THE MAYOR
this 31st day of August, 2012.

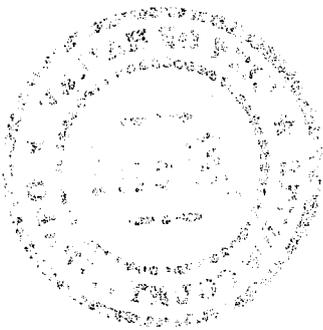

Fritz X. Haemmerle, Mayor
City of Hailey

ATTEST:


Mary Cone
Hailey City Clerk

Publish: Idaho Mountain Express _____, 2012





RESOLUTION NO. 2012 - 60

A RESOLUTION OF THE CITY COUNCIL OF HAILEY, IDAHO, PROCLAIMING A SPECIAL CITY ELECTION TO BE HELD ON NOVEMBER 6, 2012, AND ORDERING THE CITY CLERK TO GIVE NOTICE OF SUCH ELECTION.

WHEREAS, pursuant to Idaho Code §50-405(3), a city may conduct an election on the Tuesday following the first Monday in November of each year; and;

WHEREAS, that the special election to be held in and for the City of Hailey, Idaho, will be held on Tuesday, November 6, 2012, for the purpose of a ballot measure to increase the Local Option Non-property Sales Tax by one percent (1%) for maintaining and increasing commercial air service.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF HAILEY, BLAINE COUNTY, IDAHO:

Section 1: The Hailey City Council hereby proclaims a Special City Election to be held on November 6, 2012, and orders the City Clerk to give notice of such election.

Section 2: That the Special Election will be held for the purpose of a ballot measure to increase the Local Option Non-Property Sales Tax by one percent (1%) for a period of five (5) years from its effective date of January 1, 2013.

Section 3: The purposes for which the revenues derived from the additional one percent (1%) are as follows:

- (a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees or other inducements to providers;
- (b) promoting and marketing the existing service and any future service to increase passengers;
- (c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to flight diversion(s); and
- (d) direct costs to collect and enforce the tax, including administrative and legal fees.

PASSED by the City Council and APPROVED by the Mayor on August 30, 2012.

CITY OF HAILEY, IDAHO


Fritz X. Haemmerle, Mayor

ATTEST:


Mary Cone, City Clerk



CITY OF HAILEY
RESOLUTION NO. 2012-61

**RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF HAILEY
AUTHORIZING THE EXECUTION OF JOINT POWERS AGREEMENT
ESTABLISHING A SEPARATE LEGAL ENTITY GOVERNED BY THE SUN VALLEY
AIR SERVICE BOARD**

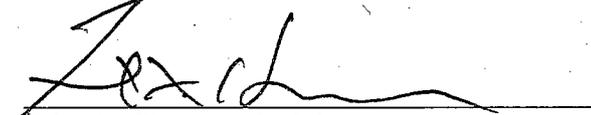
WHEREAS, the City of Hailey desires to enter into a joint powers agreement establishing a separate legal entity governed by the Sun Valley Air Service Board under which Sun Valley Air Service Board will perform and be responsible to retain, improve and develop commercial air service to Friedman Memorial Airport.

WHEREAS, the City of Hailey and Sun Valley Air Service Board have agreed to the terms and conditions of the Joint Powers Agreement, a copy of which is attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY, IDAHO, that the City of Hailey approves the Joint Powers Agreement between the City of Hailey and Sun Valley Air Service Board and that the Mayor is authorized to execute the attached Agreement,

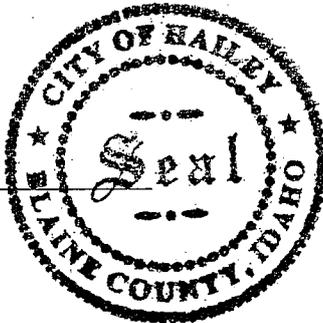
Passed this 30th day of August 2012.

City of Hailey


Fritz X. Haemmerle, Mayor

ATTEST:


Mary Cone, City Clerk



11/28/12 - JPA
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MHC Mary Cone
City Clerk
City of Hailey

From 11/19/12 council packet

**BLAINE COUNTY RESULTS
GENERAL ELECTION NOVEMBER 6, 2012**

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Precinct	HAILEY LOCAL OPTION TAX	
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Precinct	SUN VALLEY LOCAL OPTION TAX	
	YES	NO
002 Sun Valley	492	310
CO. TOTAL	492	310
PASSED	61.4%	38.7%

40% Required to pass

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

_____, 2012

This Agreement ("Agreement"), made and entered into on _____, 2012, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), (collectively known as "Cities"), and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties;"

WITNESSETH:

WHEREAS, the Friedman Memorial Airport Authority ("FMAA"), of which Hailey and Blaine County are members, operates the Friedman Memorial Airport (the "Airport"), and over the past six years commercial enplanements have decreased to the Airport; and

WHEREAS, the Parties recognize both year-round tourism and commerce are primary contributors to the economic base of Blaine County and its Cities; and

WHEREAS, air service to the Airport is critical for such year-round tourism and commerce; and

WHEREAS, each of the respective City Councils of the Cities of Ketchum, Sun Valley, and Hailey have voted in properly noticed public meetings to place before their respective voters on the November 6, 2012, ballot, the question of a 1% Local Option Tax ("LOT") (the "Ballot Questions") to fund retention, improvement and development of commercial air transportation services to the Airport; and

WHEREAS, an opinion from the Office of the Attorney General dated March 12, 2012, to Representative Wendy Jaquet (the "AG Opinion"), indicates that general authority exists under Idaho Code Section 67-2328 for cities and counties to enter into a joint powers agreement to provide for agreements for air service, including minimum revenue guarantees ("MRG's"); and

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRG's and promotion of commercial air service to increase seats and enplanements to the Airport; and

WHEREAS, this Agreement will create the separate legal entity described below, the Sun Valley Air Service Board (the "Board"), which will contract with one or more parties, pursuant to Contracts for Services as described herein, to discharge the Board's duties and responsibilities described in the Ballot Questions; and

WHEREAS, each of the Parties has made findings regarding the need for this Agreement to satisfy the duties and responsibilities described in the Ballot Questions; and

WHEREAS, the City Parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code Sections 50-321, 50-322, 21-110, 21-401 and related statutes to undertake the responsibilities contemplated by the Ballot Questions; and

WHEREAS, the County, pursuant to Idaho Code Sections 31-110, 21-876 and related statutes, in coordination with Hailey, provides for the operation of the Airport through the FMAA and the County as a Party to this Agreement may assist in discharging the duties contemplated by the Ballot Questions; and

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code Sections 67-2328, *et seq.*, and Idaho Code Section 21-403, to create and maintain the Authority to discharge the duties and responsibilities set forth in the Ballot Questions;

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual term, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. **Establishment of Separate Legal Entity; Governance.** The Parties hereto hereby establish the Sun Valley Air Service Board ("Board") as a separate legal entity and delegate each Party's respective power to the Board to oversee and administer the joint undertakings contemplated herein. Parties will join and become members of the Board upon execution of this Agreement by their respective governing body.
2. **Board Membership.** The representatives of the Parties who shall be members of the Board shall be configured as described below:
 - A. One (1) member from the City of Ketchum, one (1) member from the City of Sun Valley and one (1) member from the City of Hailey shall be respectively appointed by the Mayors of Ketchum, Sun Valley and Hailey with the consent and approval of the City Council of each city.
 - B. One (1) member from Blaine County shall be appointed by the Board of County Commissioners.
 - C. Each of the Parties shall establish its own Board member qualification criteria subject to subparagraph E.
 - D. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Board has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Board.

E. Members of the Board shall be appointed without respect to political affiliation or religious denomination. Any person over the age of eighteen (18) may be eligible for appointment.

F. Members of the Board shall serve without compensation.

3. Board Member Voting Power & Voting Majority.

A. City Parties shall retain 90% of the voting rights and voting rights shall be allocated among all Board members based on their respective annual 1% LOT contributions to the Board. The initial allocation of these voting rights shall be determined using each City Party's year ending September 30, 2012, total fiscal year actual LOT revenue collection on taxable sales described in the Ballot Questions. Each year thereafter, the voting percentages shall be revised as necessary to reflect each City Party's year ending September 30 actual 1% LOT revenue contributions to the Board.

B. Blaine County shall not have a vote as a member of the Board, except in the instance described herein. In recognition that Friedman Memorial Airport is jointly owned by the City of Hailey and Blaine County, 10% of the voting rights of the Board members will be allocated to the Board member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 10% shall be allocated to the Board member appointed by Blaine County.

C. Voting Majorities. The members of the Board shall take action upon the affirmative vote of those members holding more than 50% of the voting rights, unless otherwise provided herein. A super-majority of two-thirds of those members holding voting rights shall be needed to (1) approve any initial Contract for Services with an entity or contractor or change an entity or contractor with a Contract for Services in excess of \$50,000 to a different entity and/or contractor; and (2) approve any initial performance metrics and change in performance metrics determined jointly by members of the Board and contractor(s) as identified in the Contracts for Services.

4. Term of Office. The term of office on said Board shall be for the following initial terms:

- 1 member from Ketchum for one (1) year
- 1 member from Sun Valley for one (1) year
- 1 member from Hailey for one (1) year
- 1 member from Blaine County for one (1) year

Subsequent appointments shall be for one (1) year and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms or removal shall be filled for the remainder of the term by the Party that appointed the board member. Removal of any member may only be made by the Party that appointed such board member.

5. **Organization Bylaws.** The Board shall be governed by the Bylaws specifying the procedural method and manner by which it shall conduct its business and affairs, provided, however, that said Bylaws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Board to act. The Bylaws shall provide, among other items, that a majority of the members of the Board shall constitute a quorum. A non-voting member is not a member for quorum purposes.

6. **Purposes and Powers.** The purpose of the Board is to establish, implement, maintain and fund a program to retain, improve and develop commercial air service to Friedman Memorial Airport. In furtherance of that purpose, the Parties hereto hereby delegate to the Board their power to carry out the duties as described and contemplated by the Ballot Questions, including entering into Contracts for Services with such entities as the Board may select, subject to the specific LOT allocations of the City Parties. It is anticipated that the Board will have no employees and that, except for the holding, distribution and oversight of the monetary contributions and entering into Contracts for Services, the Board will have a very limited scope of operation. Such delegated powers shall more specifically include, but not be limited to, the following:

- A. The Board, as allowed under state and federal statutes, may apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;
- B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, personal property, including money, necessary to carry out the purposes of the Board and to invest and hold such money until distributed for the purposes contemplated by the Ballot Questions;
- C. To fund administrative costs, if any, to carry out the purposes of the Board;
- D. To contract with public or private agencies, companies or entities to retain, improve and develop commercial air transportation services to Friedman Memorial Airport, including contracting with third parties pursuant to Contracts for Services;

7. **Manner of Financing.** The Board shall annually adopt a budget. Subject to the provisions herein, each City Party hereto will annually budget and contribute monthly to the Board the money collected pursuant to their respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees; each City has the option to direct its monetary contribution to those purposes it specifically directs as allowed by the Ballot Questions, except for contributions to cover a pro-rata share of administrative expenses, if any, of the Board; provided, however, in the event of any litigation or other challenges to the Ballot Questions, this Agreement, the Board, or any related matters, each City shall contribute a pro-rata share of its contribution to defray any expenses related thereto. During each fiscal year, the City Parties shall contribute monthly to the Board their respective amount of money collected,

less their direct costs to collect and enforce the tax, including administrative and legal fees, subject to allocations approved by each City Party's governing board.

- A. In adopting the annual budget, each City Party must contribute the money collected pursuant to its respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees. The County, in its discretion, may contribute funds to the Board; it is anticipated that the County will continue its historical support for the Airport.
- B. Any entity may contribute additional funds to the Board. It is anticipated that Sun Valley Company will fund fifty percent (50%) of any MRG expenses and will provide marketing support for the air service in collaboration with the airlines and other community marketing efforts.
- C. Any funds received by the Board shall be used for payments to entities pursuant to the Contract for Services, as contemplated by the Ballot Questions, for the purposes authorized therein. The budgeting, allocation and use of said funds by the Board shall be in accordance with the purposes and powers herein provided for, and in no event shall the Board use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Board by the Parties. All specific allocations of LOT proceeds by a City Party shall be followed by the Board in its budget and actual spending.
- D. An annual audit or similar financial review shall be conducted consistent with Idaho statutory requirements.
- E. So as to minimize Board expenses, all City Parties may agree to share in the administrative tasks of the Board through pro-rata contribution of their City staff time to perform such tasks.

8. Contracts for Services. The initial Contracts for Services with entity(ies) selected by the Board shall be entered into as soon as practicable following the appointment of the Board Members and passage of the Ballot Questions. Each year thereafter, the Board shall enter into similar contracts with such entities as the Board may select. The Contracts for Services shall (i) set forth those specific services which are to be provided consistent with the Ballot Questions, (ii) provide for detailed reporting to the Board and, as appropriate directly to the Parties, of how funds were spent in sufficient detail to demonstrate compliance with constitutional and statutory guidelines as reflected in the AG Opinion; (iii) include performance metrics consistent with expectations for the work to be performed. A Contract for Services may be for more than one year, but must explicitly state that annual funding is subject to annual appropriations which meet the Cities' statutory limitations.

9. Duration. The duration of the Board created by this Agreement shall be for a period of at least five and one-half years; provided, however, that the same may be extended for an additional period of time, as the Parties hereto deem appropriate in order to expend the monies and satisfy the purposes set forth in the Ballot Questions. Any such extension of this Agreement shall be in writing, adopted by the governing body of each of the Parties hereto.

No Party may withdraw from the Agreement, except that any City Party that has failed to pass its Ballot Question shall be deemed to have withdrawn from this Agreement once such election results have been certified. Should no City Party pass a Ballot Question, this Agreement shall be terminated.

10. Dissolution of the Board. Parties, upon the dissolution of the Board created by this Agreement or any extension or renewal thereof, for whatever reason, may agree to (1) distribute the personal property owned by the Board among themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each; or (2) to sell the property in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided among the Parties hereto in proportion equal to the annual operating contributions of each to the Board since its inception.

11. Mediation. Any controversy or claim arising out of or relating to this Agreement or breach thereof, shall be submitted to non-binding mediation upon the written request of any Party and conducted by one (1) neutral mediator. If the Parties are unable to select a mediator, then selection shall follow the procedure published by the American Arbitration Association Commercial Mediation Rules. Mediation shall be held in Blaine County. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of Idaho. Each party shall bear its own costs and the parties shall split equally the cost and expenses of the mediator.

12. Execution and Effect. Upon execution of this Agreement by the Parties, this Agreement shall be effective. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

13. Amendment. This Agreement may only be amended upon the unanimous approval of the voting Parties, and only as would be not inconsistent with the Ballot Questions.

[Signatures Appear on Following Pages]

As of the date hereof, the Parties hereto have caused this Agreement to be executed by the duly-authorized representatives this _____ day of _____, 2012.

CITY OF KETCHUM

By: _____
Mayor

Date: _____

ATTEST:

City Clerk

CITY OF SUN VALLEY

By: _____
Mayor

Date: _____

ATTEST:

City Clerk

CITY OF HAILEY

By: _____
Mayor

Date: _____

ATTEST:

City Clerk

BLAINE COUNTY COMMISSIONERS

By: _____

Date: _____

By: _____

Date: _____

By: _____

Date: _____

ATTEST:

Month of L.O.T. Payment to Retail Establishment (City receives in month following payment to business) (at 6/29/12)	Lodging & Rental Cars 3% Tax (10 Businesses)	Alcohol Beverages 2% Tax (24 Businesses)	Restaurant Food 1% Tax (32 Businesses)	Monthly Total	Penalty
FYE 9/30/2006 (3 months collected in first year)	\$79,998.51	\$11,959.47	\$31,274.14	\$123,232.12	\$ -
FYE 9/30/2007	\$219,816.63	\$47,957.72	\$105,888.56	\$373,662.91	\$346.34
FYE 9/30/2008	\$215,375.75	\$45,661.79	\$110,790.35	\$371,827.89	\$1,235.36
FYE 9/30/2009	\$163,489.38	\$40,465.86	\$102,727.58	\$306,682.82	\$1,093.57
FYE 9/30/2010	\$163,137.76	\$43,749.89	\$104,365.59	\$311,253.24	\$587.02
FYE 9/30/2011	\$158,010.54	\$45,845.48	\$111,747.96	\$315,603.98	\$750.76
2012					
October	\$9,694.12	\$3,845.83	\$9,236.53	\$22,776.48	\$1.29
November	\$5,568.65	\$3,396.33	\$7,385.93	\$16,350.91	\$48.53
December	\$11,245.81	\$4,490.20	\$9,371.48	\$25,107.49	\$45.35
January	\$15,351.36	\$3,528.35	\$8,823.85	\$27,703.56	\$113.20
February	\$13,310.72	\$3,587.91	\$8,229.29	\$25,127.92	\$39.24
March	\$14,311.00	\$3,865.60	\$8,258.30	\$26,434.90	\$0.00
April	\$5,817.62	\$3,072.34	\$8,064.05	\$16,954.01	\$27.08
May	\$6,717.64	\$3,409.94	\$7,966.84	\$18,094.42	\$88.93
June	\$10,299.91	\$3,659.28	\$8,946.08	\$22,905.27	\$9.15
FYE 9/30/2012 (9 months collected ytd)	\$92,316.83	\$32,855.78	\$76,282.35	\$201,454.96	\$372.77
GRAND TOTAL SINCE INCEPTION	\$1,092,145.40	\$268,495.99	\$643,076.53	\$2,003,717.92	\$4,385.82
6-Year Average Collection in Each Category	\$182,024.23	\$44,749.33	\$107,179.42	\$333,952.99	
1% Additional for FSVA MRG's	\$60,674.74	\$22,374.67	\$107,179.42	\$190,228.83	

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

_____, 2012

This Agreement ("Agreement"), made and entered into on _____, 2012, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), (collectively known as "Cities"), and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties;"

WITNESSETH:

WHEREAS, the Friedman Memorial Airport Authority ("FMAA"), of which Hailey and Blaine County are members, operates the Friedman Memorial Airport (the "Airport"), and over the past six years commercial enplanements have decreased to the Airport; and

WHEREAS, the Parties recognize both year-round tourism and commerce are primary contributors to the economic base of Blaine County and its Cities; and

WHEREAS, air service to the Airport is critical for such year-round tourism and commerce; and

WHEREAS, each of the respective City Councils of the Cities of Ketchum, Sun Valley, and Hailey have voted in properly noticed public meetings to place before their respective voters on the November 6, 2012, ballot, the question of a 1% Local Option Tax ("LOT") (the "Ballot Questions") to fund retention, improvement and development of commercial air transportation services to the Airport; and

WHEREAS, an opinion from the Office of the Attorney General dated March 12, 2012, to Representative Wendy Jaquet (the "AG Opinion"), indicates that general authority exists under Idaho Code Section 67-2328 for cities and counties to enter into a joint powers agreement to provide for agreements for air service, including minimum revenue guarantees ("MRG's"); and

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRG's and promotion of commercial air service to increase seats and enplanements to the Airport; and

WHEREAS, this Agreement will create the separate legal entity described below, the Sun Valley Air Service Board (the "Board"), which will contract with one or more parties, pursuant to Contracts for Services as described herein, to discharge the Board's duties and responsibilities described in the Ballot Questions; and

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WHEREAS, each of the Parties has made findings regarding the need for this Agreement to satisfy the duties and responsibilities described in the Ballot Questions; and

WHEREAS, the City Parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code Sections 50-321, 50-322, 21-110, 21-401 and related statutes to undertake the responsibilities contemplated by the Ballot Questions; and

WHEREAS, the County, pursuant to Idaho Code Sections 31-110, 21-876 and related statutes, in coordination with Hailey, provides for the operation of the Airport through the FMAA and the County as a Party to this Agreement may assist in discharging the duties contemplated by the Ballot Questions; and

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code Sections 67-2328, *et seq.*, and Idaho Code Section 21-403, to create and maintain the Authority to discharge the duties and responsibilities set forth in the Ballot Questions;

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual term, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. **Establishment of Separate Legal Entity; Governance.** The Parties hereto hereby establish the Sun Valley Air Service Board ("Board") as a separate legal entity and delegate each Party's respective power to the Board to oversee and administer the joint undertakings contemplated herein. Parties will join and become members of the Board upon execution of this Agreement by their respective governing body.
2. **Board Membership.** The representatives of the Parties who shall be members of the Board shall be configured as described below:
 - A. One (1) member from the City of Ketchum, one (1) member from the City of Sun Valley and one (1) member from the City of Hailey shall be respectively appointed by the Mayors of Ketchum, Sun Valley and Hailey with the consent and approval of the City Council of each city.
 - B. One (1) member from Blaine County shall be appointed by the Board of County Commissioners.
 - C. Each of the Parties shall establish its own Board member qualification criteria subject to subparagraph E.
 - D. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Board has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Board.

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- E. Members of the Board shall be appointed without respect to political affiliation or religious denomination. Any person over the age of eighteen (18) may be eligible for appointment.
- F. Members of the Board shall serve without compensation.

3. Board Member Voting Power & Voting Majority.

- A. City Parties shall retain 90% of the voting rights and voting rights shall be allocated among all Board members based on their respective annual 1% LOT contributions to the Board. The initial allocation of these voting rights shall be determined using each City Party's year ending September 30, 2012, total fiscal year actual LOT revenue collection on taxable sales described in the Ballot Questions. Each year thereafter, the voting percentages shall be revised as necessary to reflect each City Party's year ending September 30 actual 1% LOT revenue contributions to the Board.
- B. Blaine County shall not have a vote as a member of the Board, except in the instance described herein. In recognition that Friedman Memorial Airport is jointly owned by the City of Hailey and Blaine County, 10% of the voting rights of the Board members will be allocated to the Board member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 10% shall be allocated to the Board member appointed by Blaine County.

- C. Voting Majorities. The members of the Board shall take action upon the affirmative vote of those members holding more than 50% of the voting rights, unless otherwise provided herein. A super-majority of two-thirds of those members holding voting rights shall be needed to (1) approve any initial Contract for Services with an entity or contractor or change an entity or contractor with a Contract for Services in excess of \$50,000 to a different entity and/or contractor; and (2) approve any initial performance metrics and change in performance metrics determined jointly by members of the Board and contractor(s) as identified in the Contracts for Services.

4. Term of Office. The term of office on said Board shall be for the following initial terms:

- 1 member from Ketchum for one (1) year
- 1 member from Sun Valley for one (1) year
- 1 member from Hailey for one (1) year
- 1 member from Blaine County for one (1) year

Subsequent appointments shall be for one (1) year and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms or removal shall be filled for the remainder of the term by the Party that appointed the board member. Removal of any member may only be made by the Party that appointed such board member.

5. **Organization Bylaws.** The Board shall be governed by the Bylaws specifying the procedural method and manner by which it shall conduct its business and affairs, provided, however, that said Bylaws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Board to act. The Bylaws shall provide, among other items, that a majority of the members of the Board shall constitute a quorum. A non-voting member is not a member for quorum purposes.

6. **Purposes and Powers.** The purpose of the Board is to establish, implement, maintain and fund a program to retain, improve and develop commercial air service to Friedman Memorial Airport. In furtherance of that purpose, the Parties hereto hereby delegate to the Board their power to carry out the duties as described and contemplated by the Ballot Questions, including entering into Contracts for Services with such entities as the Board may select, subject to the specific LOT allocations of the City Parties. It is anticipated that the Board will have no employees and that, except for the holding, distribution and oversight of the monetary contributions and entering into Contracts for Services, the Board will have a very limited scope of operation. Such delegated powers shall more specifically include, but not be limited to, the following:

- A. The Board, as allowed under state and federal statutes, may apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;
- B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, personal property, including money, necessary to carry out the purposes of the Board and to invest and hold such money until distributed for the purposes contemplated by the Ballot Questions;
- C. To fund administrative costs, if any, to carry out the purposes of the Board;
- D. To contract with public or private agencies, companies or entities to retain, improve and develop commercial air transportation services to Friedman Memorial Airport, including contracting with third parties pursuant to Contracts for Services;

7. **Manner of Financing.** The Board shall annually adopt a budget. Subject to the provisions herein, each City Party hereto will annually budget and contribute monthly to the Board the money collected pursuant to their respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees; each City has the option to direct its monetary contribution to those purposes it specifically directs as allowed by the Ballot Questions, except for contributions to cover a pro-rata share of administrative expenses, if any, of the Board; provided, however, in the event of any litigation or other challenges to the Ballot Questions, this Agreement, the Board, or any related matters, each City shall contribute a pro-rata share of its contribution to defray any expenses related thereto. During each fiscal year, the City Parties shall contribute monthly to the Board their respective amount of money collected,

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less their direct costs to collect and enforce the tax, including administrative and legal fees, subject to allocations approved by each City Party's governing board.

- A. In adopting the annual budget, each City Party must contribute the money collected pursuant to its respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees. The County, in its discretion, may contribute funds to the Board; it is anticipated that the County will continue its historical support for the Airport.
- B. Any entity may contribute additional funds to the Board. It is anticipated that Sun Valley Company will fund fifty percent (50%) of any MRG expenses and will provide marketing support for the air service in collaboration with the airlines and other community marketing efforts.
- C. Any funds received by the Board shall be used for payments to entities pursuant to the Contract for Services, as contemplated by the Ballot Questions, for the purposes authorized therein. The budgeting, allocation and use of said funds by the Board shall be in accordance with the purposes and powers herein provided for, and in no event shall the Board use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Board by the Parties. All specific allocations of LOT proceeds by a City Party shall be followed by the Board in its budget and actual spending.
- D. An annual audit or similar financial review shall be conducted consistent with Idaho statutory requirements.
- E. So as to minimize Board expenses, all City Parties may agree to share in the administrative tasks of the Board through pro-rata contribution of their City staff time to perform such tasks.

8. Contracts for Services. The initial Contracts for Services with entity(ies) selected by the Board shall be entered into as soon as practicable following the appointment of the Board Members and passage of the Ballot Questions. Each year thereafter, the Board shall enter into similar contracts with such entities as the Board may select. The Contracts for Services shall (i) set forth those specific services which are to be provided consistent with the Ballot Questions, (ii) provide for detailed reporting to the Board and, as appropriate directly to the Parties, of how funds were spent in sufficient detail to demonstrate compliance with constitutional and statutory guidelines as reflected in the AG Opinion; (iii) include performance metrics consistent with expectations for the work to be performed. A Contract for Services may be for more than one year, but must explicitly state that annual funding is subject to annual appropriations which meet the Cities' statutory limitations.

9. Duration. The duration of the Board created by this Agreement shall be for a period of at least five and one-half years; provided, however, that the same may be extended for an additional period of time, as the Parties hereto deem appropriate in order to expend the monies and satisfy the purposes set forth in the Ballot Questions. Any such extension of this Agreement shall be in writing, adopted by the governing body of each of the Parties hereto.

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No Party may withdraw from the Agreement, except that any City Party that has failed to pass its Ballot Question shall be deemed to have withdrawn from this Agreement once such election results have been certified. Should no City Party pass a Ballot Question, this Agreement shall be terminated.

10. Dissolution of the Board. Parties, upon the dissolution of the Board created by this Agreement or any extension or renewal thereof, for whatever reason, may agree to (1) distribute the personal property owned by the Board among themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each; or (2) to sell the property in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided among the Parties hereto in proportion equal to the annual operating contributions of each to the Board since its inception.

11. Mediation. Any controversy or claim arising out of or relating to this Agreement or breach thereof, shall be submitted to non-binding mediation upon the written request of any Party and conducted by one (1) neutral mediator. If the Parties are unable to select a mediator, then selection shall follow the procedure published by the American Arbitration Association Commercial Mediation Rules. Mediation shall be held in Blaine County. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of Idaho. Each party shall bear its own costs and the parties shall split equally the cost and expenses of the mediator.

12. Execution and Effect. Upon execution of this Agreement by the Parties, this Agreement shall be effective. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

13. Amendment. This Agreement may only be amended upon the unanimous approval of the voting Parties, and only as would be not inconsistent with the Ballot Questions.

[Signatures Appear on Following Pages]

**EXECUTION COPY
(ALMOST)**

As of the date hereof, the Parties hereto have caused this Agreement to be executed by the duly-authorized representatives this _____ day of _____, 2012.

CITY OF KETCHUM

By: _____
Mayor

Date: _____

ATTEST:

City Clerk

CITY OF SUN VALLEY

By: _____
Mayor

Date: _____

ATTEST:

City Clerk

CITY OF HAILEY

By: _____
Mayor

Date: _____

ATTEST:

City Clerk

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(ALMOST)**

BLAINE COUNTY COMMISSIONERS

By: _____

Date: _____

By: _____

Date: _____

By: _____

Date: _____

ATTEST: -----
