



## **KETCHUM URBAN RENEWAL BOARD MEETING Agenda**

### **REGULAR MEETING**

January 21, 2020 beginning at 2:00 PM

480 East Avenue, Ketchum, Idaho

### **ROLL CALL**

### **CALL TO ORDER**

1. Introduction of new KURA Member Carson Palmer
2. Election of Officers

### **CONSENT CALENDAR: (ALL ACTION ITEMS)**

- [3.](#) Approval of Minutes: November 18, 2019 regular meeting
- [4.](#) Approval of Current Bills: see packet

### **COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS**

### **COMMUNICATIONS FROM THE PUBLIC**

### **ACTION ITEMS**

- [5.](#) ACTION ITEM: SVED Update and approval of quarterly payment
- [6.](#) ACTION ITEM: Update on Culinary Institute and consideration of amending Contract 50028 and adopting Resolution 20-URA02 with the Culinary Institute
- [7.](#) ACTION ITEM: Approval of Resolution 20-URA01 Records Retention Policy & Procedure
- [8.](#) ACTION ITEM: Recommendation to Accept the Audited FY19 Financial Statements

### **DISCUSSION ITEMS**

9. Discussion of 3-5-year funding priorities and long-term goals for KURA
10. Update on lighting for the Warm Springs Bike Path
11. Update on FY 19/20 sidewalk infill project
12. Discussion of FY 20 infrastructure funding commitments
13. ACTION: Discussion regarding the KURA Logo

### **EXECUTIVE SESSION**

### **ADJOURNMENT**



Any person needing special accommodations to participate in the above noticed meeting should contact the Ketchum Urban Renewal Agency prior to the meeting at (208) 726-3841. This agenda is subject to revisions and additions. NOTE: Revised portions of the agenda are underlined in bold. Public information on agenda items is available in the Clerk's Office located at 480 East Ave. N in Ketchum or (208) 726-3841.

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Ketchum Urban Renewal Agency

480 East Avenue North  
Ketchum, ID 83340

Regular Meeting

~ Minutes ~

Admin

Monday, November 18, 2019

2:00 PM

Ketchum City Hall

**CALL TO ORDER**

Chair Susan Scovell called the meeting to order 2:00 pm

**ROLL CALL**

**PRESENT**

Chair Susan Scovell  
Commissioner Amanda Breen  
Commissioner Casey Dove  
Commissioner Ed Johnson  
Commissioner Jim Slanetz  
Commissioner Kristen Spachman

**STAFF PRESENT**

Suzanne Frick – Executive Director  
Grant Gager – Treasurer  
Attorney Ryan Armbruster - by phone

**COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS**

Chair Susan Scovell asked for comments from the Commissioners

Commissioner Ed Johnson talked about creating a 3 to 5-year capital plan explaining that if this is done, they can move forward with engineering costs and be able to apply for grants. Executive Director Suzanne Frick will put this on the next agenda as a discussion topic.

Chair, Susan Scovell, would like to have a holiday gathering between Thanksgiving and Christmas. She will work with Executive Director Suzanne Frick and the event will be noticed.

1. Election of Vice Chair

Executive Director Cameron Packer resigned, and the board is in need of a Vice Chair.

**Nomination for Amanda Breen to fill the role as Vice Chair.**

***Motion made by Commissioner Spachman, Seconded by Commissioner Dove.***

***Voting Yea: Commissioner Breen, Commissioner Johnson, Commissioner Scovell, Commissioner Slanetz, Commissioner Spachman, Commissioner Dove***

## COMMUNICATIONS FROM THE PUBLIC

Mayor Neil Bradshaw advised the Commission to be aware of the messages they give with approving or denying a public request for funding. Perception is very important.

### CONSENT CALENDAR: (ALL ACTION ITEMS)

2. Approval of Minutes from October 21, 2019

#### **Motion to approve the Minutes**

***Motion made by Commissioner Breen, Seconded by Commissioner Johnson.***

***Voting Yea: Commissioner Breen, Commissioner Johnson, Commissioner Scovell, Commissioner Slanetz, Commissioner Spachman, Commissioner Dove***

3. Approval of Current Bills: see packet

#### **Motion to approve the bills.**

***Motion made by Commissioner Scovell, Seconded by Commissioner Breen.***

***Voting Yea: Commissioner Breen, Commissioner Johnson, Commissioner Scovell, Commissioner Slanetz, Commissioner Spachman, Commissioner Dove***

4. Approval of Resolution 19URA-11 Establishing KURA meeting dates for 2020  
Motion to approve

#### **Motion to approve Resolution 19-URA11**

***Motion made by Commissioner Scovell, Seconded by Commissioner Spachman.***

***Voting Yea: Commissioner Breen, Commissioner Johnson, Commissioner Scovell, Commissioner Slanetz, Commissioner Spachman, Commissioner Dove***

### NEW BUSINESS

5. ACTION ITEM: Approval of MOU between the KURA and City to provide annual funding to off-set a portion of the cost for the new Ketchum Fire Department ladder truck

Commissioner Ed Johnson asked for clarification on the contract in the packet explaining that this contribution was supposed to be a one-time contribution. Attorney Ryan Armbruster advised it can be modified to clarify the intent or approved as is. Chair Susan Scovell clarified that it was supposed to be a 1 time \$60,000 contribution. Executive Director Suzanne Frick explained the lease agreement saying that if the KURA contributes \$60,000, the lease will be paid for this year.

**Motion to approve MOU 50061 between City of Ketchum and the KURA subject to changes to paragraph (1) one as discussed.**

***Motion made by Commissioner Breen, Seconded by Commissioner Spachman***

***Voting Yea: Commissioner Breen, Commissioner Johnson, Commissioner Scovell, Commissioner Slanetz, Commissioner Spachman, Commissioner Dove***

### OLD BUSINESS

6. Demonstration of the new website

Management & Public Affairs Specialist, Katrin Sharp, presented the new KURA website. She explained that the site we will be going live on December 9, 2019.

Commissioner Kristen Spachman asked when the fire bond discussion will be on the agenda. Executive Director Suzanne Frick advised that she put that on the next agenda.

Chair Susan Scovell asked about when we will hear about the housing Grant. Executive Director Suzanne Frick is hoping for end of November.

Commissioner Casey Dove asked for an update of the capital outlay funds at the next meeting. Treasurer Grant Gager advised there was \$485,000 for construction and will have a full report at the next meeting.

Commissioner Kristen Spachman questioned the sidewalk grant. Executive Director Suzanne Frick explained that grant will not be available for 2 years and how the City is moving forward.

**ADJOURNMENT**

**Motion to adjourn at 2:20 p.m.**

***Motion made by Chair Scovell, Seconded by Commissioner Spachman***

***Voting Yea: Commissioner Breen, Commissioner Johnson, Commissioner Scovell, Commissioner Slanetz, Commissioner Spachman, Commissioner Dove***

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Susan Scovell, Chair

ATTEST:

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Robin Crotty, Secretary

## Report Criteria:

Invoices with totals above \$0 included.

Paid and unpaid invoices included.

[Report].GL Account Number = "9610000000"- "9848009999"

Vendor Name	Invoice Number	Description	Net Invoice Amount
<b>URBAN RENEWAL AGENCY</b>			
<b>URBAN RENEWAL EXPENDITURES</b>			
<b>98-4410-4200 PROFESSIONAL SERVICES</b>			
KETCHUM COMPUTERS, INC.	16686	Computer Support - URA	67.50
SUN VALLEY ECONOMIC DEVEL	1130	Q1 2020	3,750.00
ELAM & BURKE	183030	General Representation November 2019	809.90
WORKMAN AND COMPANY	120719	Audited Financial Statement	1,800.00
<b>98-4410-5000 ADMINISTRATIVE EXPNS-CITY GEN</b>			
CITY OF KETCHUM	011520	Reimbursements for Operating Expenses	32,868.00
<b>98-4410-7100 INFRASTRUCTURE PROJECTS</b>			
PAUL STOOPS ASSOCIATES	5400 2	Conceptual Lighting Design for Warm Springs	1,000.00
<b>98-4410-7104 COMMUNITY LIBRARY OPA</b>			
COMMUNITY LIBRARY	123019	Public Infrastructure Improvements	50,000.00
<b>98-4410-8801 REIMBURSE CITY GENERAL FUND</b>			
CITY OF KETCHUM	011520	Reimbursements for Personnel	108,556.00
Total URBAN RENEWAL EXPENDITURES:			198,851.40
Total URBAN RENEWAL AGENCY:			198,851.40
Grand Totals:			198,851.40

Blaine County EDO  
December 2019

**Commerce Programs** – second conversation on TRI with Project Jester; pre-application prepared and awaiting salary schedule to advance

**Business Attraction** – meetings Project Jester CEO regarding timing and facility needs; assistance in identifying local talent for brand management position and evaluating local acquisition. Barriteau 100 room hotel project approved with financing secured from hospitality group related to Charlie Palmer.

**Business Expansion** – Scheduled membership renewals with funding support from 4 companies

**Business Retention** – na

**Business Creation** – Continued progress on SV Culinary Institute startup:

- Educational facility retrofit & equipment order placement
- Preliminary recruiting for Head Instructor
- Preparation of recruiting materials for 1<sup>st</sup> cohort of professional students
- Preparation of Federal Apprenticeship application
- IRS approval of 501c3 status
- Fundraising in excess of 60% of campaign target

**Placemaking** – Continued meetings of Tourism Coalition to establish independent funding mechanism for regional marketing organization

**Training** – na

**Other** – Conducted annual strategic retreat with board and community leaders to establish 2020 priorities, and secure budget/action plan guidance; feedback on small unit residential proposal from county commissioners

**Summary Highlights**

- Two major new hotel projects actively progressing
- Continued progress to culinary institute implementation

Blaine County EDO  
November 2019

**Commerce Programs** – opening conversation on TRI with CA media/brand startup company.

**Business Attraction** – meetings with possible hotel developer on former Warm Springs Ranch Resort project; property under contract for due diligence period; concept based on dispersed lodge setting

**Business Expansion** – discussion with Chums on staffing issues

Scheduled membership renewals with funding support from 7 companies

**Business Retention** – discussion with Silver Creek Assisted Living about hourly wages and difficulty in delivering business plan

**Business Creation** – Continued progress on SV Culinary Institute startup:

- Continued facility retrofit
- Continued fundraising
- Program implementation planning

**Placemaking** – Planning meetings of Tourism Coalition to establish independent funding mechanism for regional marketing organization

**Training** – webinar on Oregon’s new mandatory multi-family housing override of single family residential zoning in metro area; participated in IEDA semi-annual conference on workforce development

**Other** – continued redrafting of Blaine Co. Comp Plan Economic Development Chapter; preparation of 2020 budget & action plan metrics; planning for annual strategic retreat

**Summary Highlights**

- Two major new hotel projects actively progressing
- Continued progress to culinary institute implementation



Blaine County EDO  
October 2019

**Commerce Programs** – continued consulting on TRI opportunities for Projects GEP and Radio.

**Business Attraction** – Met with Bob Bursemeyer, the area director of the new Idaho First Bank. Greg Lovell is the First Bank founder and Brian Furlong runs Boise; all former B of A and Ketchum bankers. IFB is a publicly traded entity with 5 locations in Idaho. This is a community bank with, loans and deposits only, no wealth management. Local decisions. 4 staff, area manager, branch manager, 2 tellers, 1 commercial lending officer; potential to grow by 2-3 jobs in 2 years in Ketchum. Marketing through old contacts. Expansion to Hailey and Bellevue two years out. \$4.5 m lending limit; grow to \$6m. Discussed TRI and PTE opportunities.

Colliers SLC contacted SVED to gain better understanding of potential for start up of a new retail establishment in Hailey's old Kings location; they will not disclose interested party identity but confirmed that it is a national brand multi-product company. SVED provided relevant market statistics and perspectives on local market and clientele.

The Mix is a new fitness facility on the Ketchum City core. They are targeting the increasing downtown hotel population as well as the growing downtown luxury condo market.

Hanger Bread is a new bakery in Hailey serving local restaurants and grocery stores. They also are operating a small retail storefront and plan to expand to sandwiches in the future

SVED completed economic impact analysis for PEGG Group Marriot Hotel project in preparation for next council meeting.

**Business Expansion** – Warfield Distillery project starting to hire key staff for expansion.

Scheduled membership renewals with funding support from a further 10 companies

(see the spreadsheet for the full lists)

**Business Retention** –Reports of sale of land underlying Formula Sport may put this long term sports retailer business at risk.

**Business Creation** – Continued progress on SV Culinary Institute startup:

- Continued facility retrofit

Blaine County EDO  
October 2019

- Continued fundraising
- Student & staff recruitment planning
- Confirmation of IWDC Innovation Grant for \$25,000 grant award

**Placemaking** – Founding member of Baldy Forest Health project to remediate 7000 acres of diseased forest in order to maintain and expand recreational and tourism opportunities

**Training** – na

**Other – Recommending** 4 potential board candidates to full board with goal to increase youth and diversity.

Delivered 2019 Economic Summit on “Bridging the Gaps in our Resort Community: Building an Economy for those that Live It to audience of 250 local and regional attendees. Mix of panels, SVEDx talks and facilitated audience input delivered 200 + ideas for improving the local economy for those who live it.

**Summary Highlights**

- Six major new business projects actively progressing
- Continued progress to culinary institute implementation
- Delivery of 2019 Annual Summit

# Sun Valley Economic Development, Inc.

## PROFIT AND LOSS BY CLASS

January - December 2019

	CULINARY	FORUMS	GENERAL	PR PROGRAMS	SUMMIT	TOTAL
Income						
Income						\$0.00
Events						\$0.00
Summit						\$0.00
Summit - Registrations					7,796.80	\$7,796.80
Summit - Sponsorship					11,800.00	\$11,800.00
<b>Total Summit</b>					<b>19,596.80</b>	<b>\$19,596.80</b>
<b>Total Events</b>					<b>19,596.80</b>	<b>\$19,596.80</b>
Grant Income						\$0.00
State Dept of Commerce			24,750.00			\$24,750.00
<b>Total Grant Income</b>			<b>24,750.00</b>			<b>\$24,750.00</b>
Private Sector						\$0.00
Membership			63,625.00		16,500.00	\$80,125.00
Membership - NC			12,032.18			\$12,032.18
<b>Total Private Sector</b>			<b>75,657.18</b>		<b>16,500.00</b>	<b>\$92,157.18</b>
Public Sector						\$0.00
Blaine County			22,500.00			\$22,500.00
Ketchum			10,000.00			\$10,000.00
Kura			15,000.00			\$15,000.00
Sun Valley			8,500.00			\$8,500.00
<b>Total Public Sector</b>			<b>56,000.00</b>			<b>\$56,000.00</b>
<b>Total Income</b>			<b>156,407.18</b>		<b>36,096.80</b>	<b>\$192,503.98</b>
Interest Income			6.74			\$6.74
Restricted Income - TCC				7,500.00		\$7,500.00
z In Kind Revenue & Services		-1,327.08	-7,372.92		-16,500.00	\$ -25,200.00
<b>Total Income</b>	<b>\$0.00</b>	<b>\$ -1,327.08</b>	<b>\$149,041.00</b>	<b>\$7,500.00</b>	<b>\$19,596.80</b>	<b>\$174,810.72</b>
GROSS PROFIT	<b>\$0.00</b>	<b>\$ -1,327.08</b>	<b>\$149,041.00</b>	<b>\$7,500.00</b>	<b>\$19,596.80</b>	<b>\$174,810.72</b>
Expenses						
Office Administration	31.00		35.10			\$66.10
Accounting						\$0.00
General Accounting			2,750.00			\$2,750.00
Tax Preparation			1,040.46			\$1,040.46
<b>Total Accounting</b>			<b>3,790.46</b>			<b>\$3,790.46</b>
Bank Costs			1,145.38			\$1,145.38
Dues & Subscriptions			420.00			\$420.00
Other Fees & Service	271.00		655.97		412.95	\$1,339.92
<b>Total Office Administration</b>	<b>302.00</b>		<b>6,046.91</b>		<b>412.95</b>	<b>\$6,761.86</b>
Operating Expenses						\$0.00
Compensation						\$0.00
Executive Director			82,800.00			\$82,800.00
Bonus			6,624.00			\$6,624.00
<b>Total Executive Director</b>			<b>89,424.00</b>			<b>\$89,424.00</b>

	CULINARY	FORUMS	GENERAL	PR PROGRAMS	SUMMIT	TOTAL
Membership Director						\$0.00
Base			30,000.00			\$30,000.00
Commissions/Bonus			28,665.37			\$28,665.37
<b>Total Membership Director</b>			<b>58,665.37</b>			<b>\$58,665.37</b>
<b>Total Compensation</b>			<b>148,089.37</b>			<b>\$148,089.37</b>
Consulting	5,645.88			925.00	5,000.00	\$11,570.88
Marketing	1,379.70	180.00	3,387.00		2,348.30	\$7,295.00
Professional Fees			120.00			\$120.00
Training			410.87			\$410.87
Travel, Meals & Entertainment Expense			1,203.11		3,578.87	\$4,781.98
Web Site			1,020.00			\$1,020.00
<b>Total Operating Expenses</b>	<b>7,025.58</b>	<b>180.00</b>	<b>154,230.35</b>	<b>925.00</b>	<b>10,927.17</b>	<b>\$173,288.10</b>
<b>Total Expenses</b>	<b>\$7,327.58</b>	<b>\$180.00</b>	<b>\$160,277.26</b>	<b>\$925.00</b>	<b>\$11,340.12</b>	<b>\$180,049.96</b>
NET OPERATING INCOME	<b>\$ -7,327.58</b>	<b>\$ -1,507.08</b>	<b>\$ -11,236.26</b>	<b>\$6,575.00</b>	<b>\$8,256.68</b>	<b>\$ -5,239.24</b>
Other Expenses						
Other Miscellaneous Expense			0.00			\$0.00
<b>Total Other Expenses</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
NET OTHER INCOME	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
NET INCOME	<b>\$ -7,327.58</b>	<b>\$ -1,507.08</b>	<b>\$ -11,236.26</b>	<b>\$6,575.00</b>	<b>\$8,256.68</b>	<b>\$ -5,239.24</b>

## Sun Valley Economic Development

### ANNUAL PERFORMANCE CRITERIA

Performance Objective Number	Action Plan Category	Performance Criteria/Assessment (Green=Delivered, Yellow=Partially Delivered, Red=Not Delivered)	Responsibility	Target Date for Delivery	Weight (1=lo, 3=hi)
1	Business Attraction, Expansion, Retention and/or Creation	Deliver improved annual economic profiles	DP	15-Sep-20	2
2		Activate Housing Ready Team 3+ times	Shared	30-Dec-20	3
3		Participate in 5 tourism/hospitality-related expansion activities/programs	Shared	30-Dec-20	2
4		Introduce/propose 5 State/Local incentive programs to help local businesses	HEG	30-Dec-20	2
5		Conduct talent needs assessment	DP	15-Sep-20	3
6		Prepare and implement social media program	DP	30-Dec-20	2
7		Secure certificate of occupancy for culinary institute opening	HEG	30-Mar-20	3
8	Place Making	Provide strategic and/or analytical support for 3 community events	Shared	30-Dec-20	1
9		Conduct a minimum of 2 annual conversations with each City government/representative	Shared	30-Dec-20	2
10	Training	Attend 2 Southern Idaho Economic Development & 2 Idaho Economic Development Association events	Shared	30-Dec-20	1
11		Participate in 5 Virtual Roundtables or other Commerce training activities	Shared	30-Dec-20	1
12	Other	Visit 10 existing or new member businesses per month	DP	30-Dec-20	3
13		Secure 5 new members for year	DP	30-Dec-20	3
14		Maintain YE membership at 115	DP	30-Dec-20	2
15		Deliver positive YE operating income, along with budgeted Forum & Summit outcomes	Shared	30-Dec-20	3

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# KURA Culinary Update

January 15 2019

# **Culinary Project Update**

**Facility Improvements** – Phase 1 investment done Jan; Phase 2 Summer '20

**Governance** – 501c3 certification, Board expansion

**Program Kickoff** – Mar 2020 Enthusiasts, Oct 2020 Students

**Fundraising** - \$700,000 committed towards \$1 million target

**Staffing** – 1.5 FTEs now; addition of Executive Chef Instructor Spring 2020

**Partnerships** – Restaurant & educational engagement; strong industry support

**Community Impacts** – NFP support; summer events engagements

# Facility Improvements

- Total main kitchen makeover with new flooring, subway tiles, lighting, and sanitary surfacing
- Installation of new commercial equipment package for teaching, with donation of surplus to local NFP
- Enhancement of event space with new flooring, lighting and surface treatments
- Redesigned original bar for multi-function use as event space, demonstration area and student lecture location
- Total upgrade of media systems with new technology and state-of-art AV systems





# Lessons Learned

## **Complex ADA Review Process**

- Outsourcing inefficient
- Communications gaps
- Delays and cost increases for multiple project

## **Uncertain Ventilation Standards**

- Education facility vs commercial restaurant
- Limited flexibility

# Request

1. Minor adjustment in budgeted recovery categories
2. Allow for immediate recovery of costs
3. Consider additional funding support from current FY20 budget







P.O. Box 2315 | 480 East Ave. N. | Ketchum, ID 83340

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January 21, 2020

Chairman and Commissioners  
Ketchum Urban Renewal Agency  
Ketchum, Idaho

Chairman and URA Commissioners:

**CONSIDERATION AND ACTION ON REQUEST TO AMEND AGREEMENT #50028 BETWEEN THE  
KURA AND SUN VALLEY CULINARY INSTITUTE**

Introduction/History

In September 2019 the Board approved Agreement 50028 between the Sun Valley Culinary Institute and KURA to provide funding in the amount of \$25,000 for use in FY 19/20. The funding would support services as identified in Section 3 of the Agreement. As approved by the Board, funds would not be disbursed until after a certificate of occupancy is issued for the project.

The Culinary Institute has requested the Board consider two modifications to the Agreement:

1. Allow disbursement of the funds before the certificate of occupancy is issued (Section 5 of the Agreement).
2. Modify the allocation of funding identified in Section 3 of the Agreement.

Current Report

The Culinary Institute is located at the northwest corner of Main Street and Second Street in Ketchum. The facility is under construction and estimated to be complete in February 2020. Representatives of the Institute are requesting funds be provided in advance of the issuance of the certificate of occupancy.

The permit fees were less than the amount identified in the Agreement (\$5,000), therefore the Institute is requesting the Board modify the funding allocation. Additional language is proposed for Section 3d to expand how the \$5,000 may be used.

Financial Requirement/Impact

The KURA funding is \$25,000. This funding is available in the FY 19/20 budget.

Recommendation

Staff recommends the Board consider the requested modifications and if approved, adopt the following motion:

I move to adopt Resolution 20-URA02 to approve an amendment to Agreement 50028 between the KURA and Sun Valley Culinary Institute.

Attachments:

Attachment A: Resolution 20-URA02

Attachment B: Amended Agreement #50028

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO, AMENDING CONTRACT FOR SERVICES 50028 BETWEEN THE KETCHUM URBAN RENEWAL AGENCY AND THE SUN VALLEY CULINARY INSTITUTE, INC., AUTHORIZING THE EXECUTION OF THE AMENDED CONTRACT FOR SERVICES BY THE CHAIR OR VICE-CHAIR AND SECRETARY; AUTHORIZING ANY TECHNICAL CHANGES TO THE CONTRACT FOR SERVICES; AUTHORIZING THE ADMINISTRATOR/EXECUTIVE DIRECTOR TO TAKE ALL NECESSARY ACTION REQUIRED TO IMPLEMENT THE AMENDED CONTRACT FOR SERVICES; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, Idaho, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (hereinafter the “Law”) and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (hereinafter the “Act”), a duly created and functioning urban renewal agency for Ketchum, Idaho, hereinafter referred to as the “Agency.”

WHEREAS, the City Council (“City Council”) of the City of Ketchum (the “City”) by adoption of Ordinance No. 992 on November 15, 2006, duly adopted the Ketchum Urban Renewal Plan (the “2006 Plan”) to be administered by the Agency;

WHEREAS, upon the approval of Ordinance No. 1077 adopted by the City Council on November 15, 2010, and deemed effective on November 24, 2010, the Agency began implementation of the amended Ketchum Urban Renewal Plan (the “Amended Plan”);

WHEREAS, through implementing the Amended Plan, Agency seeks to further the following stated goal: The strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and benefitting the various taxing districts in which the Revenue Allocation Area is located. Additionally, the Amended Plan seeks to further its goal of strengthening the economic base of the Revenue Allocation Area by installing needed site improvements and public facilities to stimulate new commercial expansion, employment and economic growth. These goals are consistent with the findings and purpose of the Act set forth in Idaho Code § 50-2902;

WHEREAS, in furtherance of these goals, Agency seeks to support programs that stimulate job creation, expanded employment opportunities and economic development opportunities within the Revenue Allocation Area;

WHEREAS, the Sun Valley Culinary Institute, Inc., an Idaho non-profit corporation (the “Culinary Institute”) offers culinary training courses to entry level and foodservice professionals along with classes for local food enthusiasts. The Culinary Institute provides opportunities to develop and maintain talent for a world-class culinary hub in the Wood River Valley. The Culinary Institute hosts unique food events, to strengthen the community’s food systems and partners with local organizations to promote healthy living programs.

WHEREAS, supporting promotion of the Revenue Allocation Area by supporting a training center within the Amended Plan project area resulting in job development throughout the Amended Plan project area and the Wood River Valley constitutes a valid public purpose and is consistent with the goals of the Amended Plan, the Law and the Act.

WHEREAS, the Chair of the Agency approved Contract 50028 on October 11, 2019 with the Culinary Institute for professional services to provide economic development support through the training in the culinary arts at a site within the Revenue Allocation Area. Through this program, the number of businesses hiring permanent, culinary professionals within the Revenue Allocation Area is expected to increase. Agency believes these services to promote this training will positively affect development and land use decisions within Agency’s Revenue Allocation Area. Agency further believes such efforts will strengthen the Revenue Allocation Area, as well as prevent the spread of deteriorating conditions.

WHEREAS, the parties specifically acknowledge and agree that all funds paid to the Culinary Institute under this Agreement shall be used solely to provide services for Agency for culinary arts training and job development. The proposed services lead to direct quantifiable and measurable results of investing public funds for a public purpose.

WHEREAS, the Culinary Institute has requested amendments to Contract 50028 relating to the release and allocation of the funding;

WHEREAS, Agency staff has prepared an Amended Contract for Services, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, setting forth the details concerning the scope of work the Culinary Institute shall perform and the compensation to be paid by the Agency for the same;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Contract for Services.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE KETCHUM URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the Amended Contract for Services, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, be and the same hereby is approved.

Section 3: That the Chair, Vice-Chair, and Secretary are hereby authorized to sign and enter into the Amended Contract for Services and, further, are hereby authorized to execute all necessary documents required to implement the actions contemplated by the Amended Contract for Services subject to representations by Agency staff and Agency's legal counsel that all conditions precedent to actions contemplated in the Contract for Services, and any necessary technical changes to the Contract for Services, or other documents, are acceptable upon advice from Agency's legal counsel that said changes are consistent with the provisions of the Contract for Services and the comments and discussions received at the September 16, 2019, Agency Board meeting; the Administrator/Executive Director is further authorized to appropriate any and all funds contemplated by the Contract for Services and to perform any and all other duties required pursuant to said Contract for Services.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of Ketchum, Idaho, on January 21, 2020. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, January 21, 2020.

URBAN RENEWAL AGENCY OF KETCHUM

By \_\_\_\_\_  
Susan Scovell, Chair

ATTEST:

By \_\_\_\_\_  
Secretary



## CONTRACT FOR SERVICES 50028

THIS CONTRACT FOR SERVICES ("Agreement") by and between the KETCHUM URBAN RENEWAL AGENCY, an independent public body corporate and politic, authorized and existing under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the "Law"), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act") (hereinafter referred to as "KURA") and the Sun Valley Culinary Institute, Inc., an Idaho non-profit corporation (the "Culinary Institute"). Collectively, KURA and the Culinary Institute may be referred to as the "Parties."

### RECITALS

A. The City Council of the City of Ketchum (the "City Council") by adoption of Ordinance No. 992 on November 15, 2006, duly adopted the Ketchum Urban Renewal Plan (the "Plan") to be administered by KURA. Subsequently, the Plan was amended upon the approval of Ordinance No. 1077 adopted by the City Council on November 15, 2010 and deemed effective on November 24, 2010 (the "Amended Plan").

B. Through implementing the Amended Plan, KURA seeks to further the following stated goal: The strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and benefitting the various taxing districts in which the Revenue Allocation Area is located. Additionally, the Amended Plan seeks to further its goal of strengthening the economic base of the Revenue Allocation Area by installing needed site improvements and public facilities to stimulate new commercial expansion, employment and economic growth. These goals are consistent with the findings and purpose of the Act set forth in Idaho Code § 50-2902.

C. In furtherance of these goals, KURA seeks to support programs that stimulate job creation, expanded employment opportunities and economic development opportunities within the Revenue Allocation Area.

D. The Culinary Institute will be located at 211 N. Main Street in Ketchum and will offer culinary training courses to entry level and foodservice professionals along with classes for local food enthusiasts. The Culinary Institute provides opportunities to develop and maintain talent for a world-class culinary hub in the Wood River Valley. The Culinary Institute hosts unique food events, to strengthen the community's food systems and partners with local organizations to promote healthy living programs.

E. Supporting promotion of the Revenue Allocation Area by supporting a training center within the Amended Plan project area resulting in job development throughout the Amended Plan project area and the Wood River Valley constitutes a valid public purpose and is consistent with the goals of the Amended Plan, the Law and the Act.

F. KURA desires to contract with the Culinary Institute for professional services to

provide economic development support through the training in the culinary arts at a site within the Revenue Allocation Area. Through this program, the number of businesses hiring permanent, culinary professionals within the Revenue Allocation Area is expected to increase. KURA believes these services to promote this training will positively affect development and land use decisions within KURA's Revenue Allocation Area. KURA further believes such efforts will strengthen the Revenue Allocation Area, as well as prevent the spread of deteriorating conditions.

G. The parties specifically acknowledge and agree that all funds paid to the Culinary Institute under this Agreement shall be used solely to provide services for KURA for culinary arts training and job development located at 211 N Main Street in Ketchum. The proposed services lead to direct quantifiable and measurable results of investing public funds for a public purpose.

H. Subject to the terms and conditions of this Agreement, the parties wish to enter into this Agreement to provide the services described herein.

#### **AGREEMENT**

NOW THEREFORE, KURA and the Culinary Institute, for and in consideration of the preceding recitals, mutual promises and covenants hereinafter set forth, do hereby agree as follows:

1. Consideration. In consideration for providing the services provided herein, KURA agrees to pay the Culinary Institute an amount not to exceed twenty-five thousand dollars (\$25,000) for the term set forth in Section 2. Payments shall be made as set forth in Section 5.
2. Term. Unless terminated pursuant to Section 7(b) of this Agreement, and notwithstanding the date of execution hereof, this Agreement shall be in effect from October 1, 2019, until September 30, 2020.
3. Scope of Services. The Parties hereby agree that Culinary Institute shall provide the following services:
  - a. The Culinary Institute shall be located at 211 N Main Street in Ketchum
  - b. Prepare and develop a curriculum to be used by the Sun Valley Culinary Institute for an amount not too exceed \$10,000.
  - c. Provide consulting services in the amount not too exceed \$10,000.
  - d. Reimbursement for building permits to remodel the building located at 211 N Main Street, Ketchum, Idaho into a Culinary Institute or other expenses or services as approved by the KURA.
4. Reports, Budget, IRS Filings, Annual Work Plan, Monthly Record Keeping and Availability of Records.

- a. Quarterly Report of Activities. The Culinary Institute shall report to the KURA Board of Commissioners each quarter during the following months: January, April, July and September (the “Quarterly Report”). The Quarterly Report shall contain updates for the KURA Board on the services provided in Section 3 of this Agreement.
- b. Budget. Within thirty (30) days after the execution of this Agreement, the Culinary Institute shall submit its program objectives and schedule to KURA, in a form which is satisfactory to KURA. The Culinary Institute shall also submit its 2020 Operating Budget to KURA when such budget has been approved by the Culinary Institute Board. This operating budget shall contain sufficient information and detail to permit meaningful review by the public.
- c. Program Documents. Within fifteen days (15) days after execution of this Agreement, the Culinary Institute shall submit to KURA its organizational and programing documents.
- d. Financial Accounting and Reporting Requirements. The Culinary Institute shall submit to KURA a year-end financial statement within ninety (90) days of the Culinary Institute’s fiscal year-end, which shall be prepared in a format that details the expenditure of KURA funds paid to the Culinary Institute under the terms of this Agreement. KURA may request additional financial information it deems necessary or appropriate to assist KURA in verifying the accuracy of the Culinary Institute’s financial records. Any duly authorized agents of the KURA shall be entitled to inspect and audit all books and records of the Culinary Institute only for compliance with the terms of this Agreement. In the event the financial report indicates that funds were used for purposes not permitted by this Agreement, the Culinary Institute shall remit the disallowed amount to KURA within thirty (30) days of notification by KURA of such improper expenditures.
- e. General Requests. Upon request, and within a reasonable time period, the Culinary Institute shall submit any other information or reports relating to its activities under this Agreement to KURA in such form and at such time as KURA may reasonably require.
- f. Retention of Records. The Culinary Institute agrees to retain all financial records, supporting documents, statistical reports, client or membership records and contracts, property records, minutes, correspondence, and all other accounting records or written materials pertaining to this Agreement for three (3) years following the expiration or termination of this Agreement. KURA, at its own expense, may review or audit the

financial transactions undertaken by the Culinary Institute under this Agreement to ensure compliance with the terms and conditions herein with reasonable prior notice and during the normal business hours of the Culinary Institute.

5. Payments. The Culinary Institute shall be entitled to the consideration described in Section 1 of this Agreement ~~upon the issuance by the City of Ketchum of a certificate of occupancy~~ for the Culinary Institute facility located at 211 N. Main Street in Ketchum. To receive payments for the services described in Section 3 of this Agreement, the Culinary Institute shall submit invoices and requests for payment for the services described in Paragraph 3 of the Agreement to the KURA Board for review and authorization. Upon acceptance of the payment request by the KURA Board, payment shall be made within thirty (30) days.
6. Record of Funds. In order to insure proper financial accountability, the Culinary Institute shall maintain accurate records and accounts of all funds received from KURA, keeping such accounts and records separate and identifiable from all other accounts, and making such accounts and records available to KURA during normal business hours, on request of the KURA Board, or its staff. Compliance with this provision does not require a separate bank account for the funds. The funds paid to the Culinary Institute by KURA shall be expended solely for services rendered in conformance with this Agreement. Further, no such funds shall be transferred, spent, loaned or encumbered for other Culinary Institute activities or purposes other than for operations and activities in conformance with this Agreement.
7. Miscellaneous Provisions.
  - a. Notices. All notices to be served pursuant to this Agreement or which are served with regard to this Agreement shall be sent by certified mail, return receipt, to the parties at the following addresses:  
  
Ketchum Urban Renewal Agency  
PO Box 2315  
Ketchum, Idaho 83340  
  
Sun Valley Culinary Institute  
Paul Hineman, Executive Director  
PO Box 3088  
Sun Valley, Idaho 833353  
  
All notices of changes of addresses shall be sent in the same manner.
  - b. Termination.

- i. The Parties hereto covenant and agree that in the event KURA, in its sole and absolute discretion, lacks sufficient funds to continue paying for the Culinary Institute's services under this Agreement, KURA may terminate this Agreement without penalty upon thirty (30) days written notice. Upon receipt of such notice neither party shall have any further obligation to the other. In the event of early termination of this Agreement, the Culinary Institute shall submit to KURA a report of expenditures authorized by this Agreement as of the effective date of termination. Any KURA funds not encumbered for authorized expenditures at the date of termination shall be refunded to KURA within twenty (20) days.
- ii. If the Culinary Institute shall fail to fulfill its obligations in compliance with the Scope of Services as set forth in Section 3, or if the Culinary Institute shall violate any of the covenants, agreements, or stipulations of this Agreement, KURA shall thereupon have the right to terminate this Agreement effective immediately. If this Agreement is terminated for cause, the Culinary Institute shall be paid a pro-rata amount of the quarterly payment earned in accordance with this Agreement through the cancellation date.

Notwithstanding the above, the Culinary Institute shall not be relieved of liability to KURA by virtue of any breach of this Agreement by the Culinary Institute, and KURA may withhold any payments to the Culinary Institute for the purpose of set-off until such time as the exact amount of damages due KURA from the Culinary Institute is determined. The Culinary Institute shall also provide KURA all products or work generated prior to date of termination. All products or work generated, whether complete or not, are the property of KURA.

- c. Independent Contractor. KURA and the Culinary Institute hereby agree that the Culinary Institute shall perform the services set forth in Section 3 of this Agreement exclusively as an independent contractor and not as employee or agent of KURA. The Parties do not intend to create through this Agreement any partnership, corporation, employer/employee relationship, joint venture or other business entity or relationship other than that of independent contractor. The Culinary Institute, its agents and employees shall not receive nor be entitled to any employment-related benefits from KURA including without limitation, workers compensation insurance, unemployment insurance, health insurance, retirement benefits or any benefit that KURA offers to its employees. The Culinary Institute shall be solely responsible for the payment of all payroll and withholding taxes for amounts paid to the Culinary Institute

under this Agreement and for the Culinary Institute's payments for work performed in performance of this Agreement by the Culinary Institute, its agents and employees; and the Culinary Institute hereby releases, holds harmless and agrees to indemnify KURA from and against any and all claims or penalties, including without limitation the 100% penalty, which in any manner relate to or arise from any failure to pay such payroll or withholding taxes.

The Culinary Institute shall determine the means by which it accomplishes the work outlined in the Agreement. KURA agrees that it will have no right to control or direct the method, manner, or means by which the Culinary Institute accomplishes the results of the services performed hereunder. The Culinary Institute has no obligation to work any particular hours or days or any particular number of hours or days. The Culinary Institute agrees, however, that his or her other contracts and/or services shall not interfere with the performance of his or her services under this Agreement. KURA agrees to coordinate project schedules and respective commencements and deadlines with the Culinary Institute.

The Culinary Institute shall supply, at the Culinary Institute's sole expense, all equipment, tools, materials, and/or supplies to accomplish the services to be provided herein.

- d. Compliance with Laws/Public Records. The Culinary Institute acknowledges that KURA is an independent public body corporate and politic subject to the Public Records Act, Chapter 1, Title 74, Idaho Code, as amended. The Culinary Institute will communicate with and cooperate with KURA upon request by KURA so as to identify, address, potentially disclose, and evaluate exemptions as necessary for records that may be subject to the Public Records Act. The Culinary Institute further agrees to comply with all federal, state, city, and local laws, rules and regulations.
- e. Non-assignment. This Agreement may not be assigned by or transferred by the Culinary Institute, in whole or in part, without the prior written consent of KURA.
- f. Hold Harmless Agreement. The Culinary Institute shall indemnify, defend and save and hold harmless KURA, its officers, agents, and employees, from and against any and all claims, loss, damages, injury or liability, including but not limited to, the misapplication of KURA funds, state or federal anti-trust violations, personal injury or death, damages to property, liability arising out of the use of materials, concepts, or processes protected by intellectual property, rights and liens of workmen

and materialmen, howsoever caused, resulting directly or indirectly from the performance of the Agreement by the Culinary Institute.

- g. Entire Contract. This Agreement contains the entire contract between the Parties and shall not be modified or changed in any manner, except by prior written contract executed by both Parties.
- h. Succession. This Agreement shall be binding upon all successors in interest of either party hereto.
- i. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.
- j. Law of Idaho. This Agreement shall be construed in accordance with the laws of the State of Idaho.
- k. Severability. If any clause, sentence, or paragraph of this Agreement is held by a court of competent jurisdiction to be invalid for any reason, such decision shall not affect the remaining portions, and the parties do now declare their intention that each such clause, sentence, or paragraph of this Agreement is a separate part hereof.
- l. Preparation of Contract. No presumption shall exist in favor of or against any party to this Agreement as a result of the drafting and preparation of the document.
- m. No Waiver. No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.
- n. Attorney's Fees. In the event either party hereto is required to retain counsel to enforce a provision of this Agreement, to recover damages resulting from a breach hereof or if either party defaults in the performance of this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable attorney's fees incurred herein or on appeal.
- o. Conflict of Interest. No officer or director of the Culinary Institute, who has decision-making authority or immediate family member of such individual, shall have a direct pecuniary interest in any contract or subcontract for work to be performed in connection with this Agreement. The Culinary Institute shall incorporate or cause to be incorporated in all such contracts, a provision prohibiting such interest pursuant to this provision.

(signatures on following page)



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the day and year first written below.

**Ketchum Urban Renewal Agency**

**Sun Valley Culinary Institute, Inc.**

\_\_\_\_\_  
Chair, Susan Scovell

\_\_\_\_\_  
Paul Hineman, Executive Director

Date\_\_\_\_\_

Date\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Robin Crotty, Agency Secretary

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO, ADOPTING RECORDS RETENTION GUIDELINES; AUTHORIZING THE CHAIR OR ADMINISTRATOR TO TAKE APPROPRIATE ACTION; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, Idaho, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (hereinafter the “Law”) and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (hereinafter the “Act”), a duly created and functioning urban renewal agency for Ketchum, Idaho, hereinafter referred to as the “Agency.”

WHEREAS, the City Council of the City of Ketchum (the “City”) by adoption of Ordinance No. 992 on November 15, 2006, duly adopted the Ketchum Urban Renewal Plan (the “2006 Plan”) to be administered by the Agency;

WHEREAS, upon the approval of Ordinance No. 1077 adopted by the City Council on November 15, 2010, and deemed effective on November 24, 2010, the Agency began implementation of the amended Ketchum Urban Renewal Plan (the “Amended Plan”);

WHEREAS, Idaho Code § 50-907 defines public records and establishes requirements for the preservation of permanent public records and retention and disposition of semi-permanent and temporary public records;

WHEREAS, the Agency is a public agency and produces records considered to be permanent, semi-permanent, temporary and transitory records;

WHEREAS, proper handling of the Agency’s records requires a records management program that will identify, catalog and preserve public records which must be kept permanently and will create an orderly system for cataloging, maintaining, retrieving, storing and disposing of semi-permanent, temporary and transitory public records;

WHEREAS, a records management program makes office operations more efficient and effective, saving time and expense;

WHEREAS, proper disposal of public records that are no longer required to be kept reduces costs for storage;

WHEREAS, Agency staff has prepared the Records Retention Guidelines (“Retention Guidelines”), attached as Exhibit A to this Resolution and incorporated herein by reference;

WHEREAS, Agency staff recommends approval of the Retention Guidelines by the Agency Board;

WHEREAS, Agency Board finds it in the best interests of the Agency and the public to approve and adopt the Retention Guidelines.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE KETCHUM URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2. That the Retention Guidelines attached hereto as Exhibit A, and incorporated herein as if set out in full, is hereby approved and adopted by the Agency Board, and that the Chair or Administrator is authorized and directed to take all action to implement the Retention Guidelines, and further, any necessary technical changes to the Retention Guidelines are acceptable, upon advice from the Agency’s legal counsel that said changes are consistent with the provisions of the Retention Guidelines, Idaho law, and the comments and discussions received at the January 21, 2020, Agency Board meeting.

Section 3. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Urban Renewal Agency of Ketchum, Idaho, on January 21, 2020. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on January 21, 2020.

URBAN RENEWAL AGENCY OF KETCHUM

By \_\_\_\_\_  
Chair

ATTEST:

By \_\_\_\_\_  
Secretary

4835-0079-2241, v. 1

## **KETCHUM URBAN RENEWAL AGENCY RECORDS RETENTION GUIDELINES**

The Agency shall adopt by resolution a records retention schedule listing the various types of records and the retention period for each type of record.

The Agency may reproduce, retain, and manage records in a photographic, digital, or other nonpaper medium, which can be accurately reproduced in paper form during the period for which the document must be retained.

Once a semi-permanent or temporary record is retained in a nonpaper medium, the original paper document shall be considered a duplicate of the record and may be disposed of.

Once a permanent record is retained in a nonpaper medium, the original paper document shall be considered a copy and may be destroyed after the records custodian provides written notice, either by electronic or physical delivery, including a detailed list of the documents proposed for destruction to the Idaho State Historical Society. The Idaho State Historical Society shall have thirty days after receipt of the notice to review the list and identify any documents that will be requested to be transferred to the historical society for retention in the permanent records repository. Paper documents not transferred may be destroyed.

Whenever any record is retained in a nonpaper medium, it shall be made in duplicate, and the custodian thereof shall place one copy in a fire-resistant vault or off-site storage facility and shall retain the other copy with suitable equipment or displaying such record at not less than original size.

At the end of its retention period, semi-permanent and temporary document records may be destroyed only by resolution of the Board of Commissioners and under the supervision of the record custodian. Such resolution shall include a detailed list of the records to be destroyed.

Permanent and historical records may never be destroyed but may be transferred to the Idaho State Historical Society.

The records custodian shall draft a resolution for destruction of documents of which the retention period has expired. Once the Board approves the resolution, the approved documents should be shredded or recycled depending upon their content.

## Agency Document Retention Table

<b>Historical Record</b> 1. Consists of records which, due to age or cultural significance, are artifacts of historical value. 2. Have enduring value based on administrative, legal, fiscal, evidential, or historical information they contain. 3. May never be destroyed but may be transferred to the Idaho Historical Records Repository	<b>Permanent</b> Maintained in perpetuity or may be transferred to the Idaho Historical Records Repository by resolution of Board	<b>Semi-Permanent</b> Shall be kept for not less than five years after the date of issuance or completion of the matter contained within the record.	<b>Temporary</b> Shall be kept for not less than two years, but in no event shall financial records be destroyed until completion of the annual audit.
	Agency Bylaws and any amendments thereto	Bank Statements – 5 years	Cash receipts subject to audit
Items deemed of historical nature by Board	District Eligibility Documentation	County Warrants – 5 years	
	District(s) Plans	Invoices/Receipts – 5 years	
	Annual Reports	Purchase Orders – 5 years	
	Attested Meeting Minutes	Cancelled checks – 5 years	
	Year-End Financial Reports	Administrative Contracts – 5 years	
	Resolutions	Annual Budgets – 5 years	
	Commissioner Appointment/Conflict of Interest Documents	Administrator/Program Manager Reports	
	Title to Property	Meeting Agendas	

	Public Record Requests	Other items deemed of semi-permanent nature by Board	
	Other items deemed of permanent nature by Board		
	Contracts Related to Plan Implementation		
	Bond/Loan Documentation		

4825-3754-4113, v. 1



## Ketchum Urban Renewal Agency

P.O. Box 2315 | 480 East Ave. N. | Ketchum, ID 83340

January 21, 2020

Chairwoman Scovell and Board of Commissioners  
Ketchum Urban Renewal Agency  
Ketchum, Idaho

Chairwoman Scovell and Board of Commissioners:

### **Recommendation to Accept the Audited FY 19 Financial Statements**

#### Introduction/History

The Ketchum URA is required under section 50-2006 of the Idaho Statutes to conduct a full and complete audit of the financial statements each fiscal year. The Ketchum Urban Renewal Agency has previously contracted with Workman & Company for auditing services for the Fiscal Year ending September 30, 2019, by action at its October 21, 2019, meeting.

#### Current Report

Workman & Company has completed the audit for FY 19 and will be presenting it to the Board of Commissioners for adoption. The Ending Fund Balance for FY 19 is \$1,494,073, including the debt service reserve fund (*See Page 6 of Financial Statements*).

#### Financial Requirement/Impact

The funding for the FY 19 audit is included in the current budget.

#### Recommendation

I respectfully recommend the Board of Commissioners accept the Audited FY 19 Financial Statements.

#### Recommended Motion

***"I move to accept the Audited FY 19 Financial Statements."***

Sincerely,

Grant Gager  
Treasurer

**KETCHUM URBAN RENEWAL AGENCY**

**KETCHUM, IDAHO**

**Financial Statements  
at September 30, 2019**



**KETCHUM URBAN RENEWAL AGENCY  
KETCHUM, IDAHO**

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# WORKMAN & COMPANY

Office of  
Accounting

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

## INDEPENDENT AUDITOR'S REPORT

November 8, 2019

To the Board of Commissioners  
Ketchum Urban Renewal Agency  
Ketchum, Idaho

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities of the Ketchum Urban Renewal Agency, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Ketchum Urban Renewal Agency's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Ketchum Urban Renewal Agency, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 14-15 be presented to supplement the basic financial statements. Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basis financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information on page 16 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information along with the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2018, on our consideration of the Ketchum Urban Renewal Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ketchum Urban Renewal Agency's internal control over financial reporting and compliance.

***Workman & Company***

WORKMAND AND COMPANY  
Certified Public Accountants  
Twin Falls, Idaho

**KETCHUM URBAN RENEWAL AGENCY**  
**Statement of Net Position**  
**at September 30, 2019**

	<u><b>Total Primary Government</b></u>	<u><b>Total Reporting Entity</b></u>
<b><u>ASSETS</u></b>		
Cash and Deposits	\$ 940,266	\$ 940,266
Restricted Cash and Deposits	549,717	549,717
Accounts and Property Tax Receivable	4,090	4,090
<b>Total</b>	<u>1,494,073</u>	<u>1,494,073</u>
Capital Assets:		
Land, Buildings and Improvements	3,915,115	3,915,115
Fourth Street Corridor Improvements	1,000,000	1,000,000
<b>Total</b>	<u>4,915,115</u>	<u>4,915,115</u>
Less Accumulated Depreciation	(11,710)	(5,855)
<b>Total Capital Assets</b>	<u>4,903,405</u>	<u>4,909,260</u>
<b>Total Assets</b>	<u>6,397,478</u>	<u>6,403,333</u>
<b><u>LIABILITIES</u></b>		
Accrued Interest Payable	135,234	135,234
Long-term Liabilities:		
Portion due or payable within one year:		
Bonds Payable	180,000	180,000
Portion due or payable after one year:		
Bonds Payable	5,440,000	5,440,000
Unamortized Bond Discounts	(111,096)	(111,096)
Unamortized Pre-Issuance Bond Costs	(51,911)	(51,911)
<b>Total Liabilities</b>	<u>5,592,227</u>	<u>5,592,227</u>
<b><u>NET POSITION</u></b>		
Invested in Capital Assets - net of related debt	0	0
Restricted For:		
Capital Projects	0	0
Debt Service	549,717	549,717
Affordable Housing	1,261,687	1,261,687
Unrestricted	<u>(1,006,153)</u>	<u>(1,006,153)</u>
<b>Total Net Position</b>	<u>\$ 805,251</u>	<u>\$ 805,251</u>

The accompanying notes are a part of these financial statements.

**KETCHUM URBAN RENEWAL AGENCY**  
**Statement of Activities**  
**For the Year Ended September 30, 2019**

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position	
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Total
<b>Governmental:</b>					
General Government	\$ 1,114,119	\$ 44,000	\$ 0	(1,070,119)	\$ (1,070,119)
Contributions to City of Ketchum	105,394			(105,394)	(105,394)
<b>Total Governmental Activities</b>	<u>1,219,513</u>	<u>44,000</u>	<u>0</u>	<u>(1,175,513)</u>	<u>(1,175,513)</u>

General Revenues:		
Property Taxes	1,653,477	1,653,477
Penalty and Interest on Taxes	2,898	2,898
Refunds and Reimbursements		0
Interest	15,864	15,864
<b>Total general revenues and transfers</b>	<u>1,672,239</u>	<u>1,672,239</u>
<b>Changes in net position</b>	<u>496,726</u>	<u>496,726</u>
<b>Net Position - Beginning</b>	<u>308,525</u>	<u>308,525</u>
<b>Net Position - Ending</b>	<u>\$ 805,251</u>	<u>\$ 805,251</u>

The accompanying notes are a part of these financial statements.

# KETCHUM URBAN RENEWAL AGENCY

## Balance Sheet Governmental Funds at September 30, 2019

	General Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 592,091	\$ 348,175	\$ 940,266
Reserved Cash		549,717	549,717
Taxes Receivable	3,040	0	3,040
Due From Other Sources	1,050	0	1,050
Total Assets	\$ 596,181	\$ 897,892	\$ 1,494,073
<b>LIABILITIES:</b>			
Accounts and Accrued Payables	\$ 0	\$ 0	\$ 0
Total Liabilities	0	0	0
<b>FUND BALANCE:</b>			
Non-spendable	0	0	0
Restricted	0	549,717	549,717
Committed	0	0	0
Assigned	0	0	0
Unassigned	596,181	348,175	944,356
Total Fund Balance	596,181	897,892	
Total Liabilities and Fund Balance	\$ 596,181	\$ 897,892	

Amounts reported for governmental activities in the Statement of Net Position (page 3) are different because:

Government fund capital assets are not financial resources and therefore are not reported in the funds. The costs of assets is \$ 4,915,115 and the accumulated depreciation is \$ 11,710	4,903,405
Bond discounts and pre-issuance costs are not financial resources and therefore are not reported in the funds.	163,007
Long-term liabilities, including bonds, compensated absences and loans are not payable in the current period and therefore are not reported in the governmental funds	(5,755,234)
Net Position of Governmental Funds	\$ 805,251

The accompanying notes are a part of these financial statements.

**KETCHUM URBAN RENEWAL AGENCY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**for the year ended September 30, 2019**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUE:</b>			
Tax Levy Revenue	\$ 1,656,376	\$	\$ 1,656,376
Rent Revenue	44,000		44,000
Refunds and Reimbursements			0
Interest Income	<u>10,288</u>	<u>5,576</u>	<u>15,864</u>
Total Revenue	<u>1,710,664</u>	<u>5,576</u>	<u>1,716,240</u>
<b>EXPENDITURES:</b>			
Office Expense	128		128
Professional Fees	62,804	1,750	64,554
Advertising and Publications	398		398
Insurance	2,734		2,734
Administration	33,313		33,313
Repairs			0
Reimburse Ketchum City - General	105,394		105,394
Reimburse Ketchum City - In Lieu Housing			0
Capital Projects	702,328		702,328
Debt service		<u>457,738</u>	<u>457,738</u>
Total Expenditures	<u>907,099</u>	<u>459,488</u>	<u>1,366,587</u>
<b>EXCESS REVENUE (EXPENDITURES)</b>	803,565	(453,912)	349,653
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In (Out)	<u>(458,923)</u>	<u>458,923</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>	344,642	5,011	349,653
<b>FUND BALANCE - BEGINNING</b>	<u>251,539</u>	<u>892,881</u>	<u>1,144,420</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 596,181</u>	<u>\$ 897,892</u>	<u>\$ 1,494,073</u>

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
for the year ended September 30, 2019

Net Change in Fund Balance - Total Governmental Funds (Page 6) \$ 349,653

Governmental funds report capital outlays as current year expenditures.  
In the Statement of Activities the cost of these assets is allocated  
over their estimated useful lives as depreciation expense. This is  
the amount of current capital outlay for new fixed assets.

This is the amount of current year depreciaton. (5,855)

This is the amount of current year amortization. (10,188)

This is the amount of new Governmental Fund ~~assets~~. 0

Long term liabilities ~~are~~ not recorded in the Governmental funds.

This is the change in accrued interest on the outstanding debt. 3,116

This is the amount of current year payments of long term debt 160,000

Change in Net Position of Governmental Activities (Page 4) \$ 496,726

The accompanying notes are a part of these financial statements.



**KETCHUM URBAN RENEWAL AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Reporting Entity

The Ketchum Urban Renewal Agency (the Agency) was created for the purpose of redeveloping and rehabilitating certain deteriorating areas in the City of Ketchum, Idaho, and was established by a resolution from the Ketchum City Council dated April 3, 2006. The Agency is authorized under provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code).

The Agency is a component unit, as defined by generally accepted accounting principles, of the City of Ketchum, Idaho, because of its operational and financial responsibility with the City. The City of Ketchum appoints the governing body of the Agency.

The financial statements of the Ketchum Urban Renewal Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net position) report information on all of the non-fiduciary activities of the Agency.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The Agency's activities and general administrative services are classified as governmental activities. The Agency has no business-type activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Agency receives cash.

The Agency reports the following major governmental funds:

- The *General Fund* is the Agency's primary operating fund. It accounts for all financial resources of the Agency.
- The *Debt Service Fund* is the Agency's fund used to account for the payments of long term debt.

**KETCHUM URBAN RENEWAL AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

Continued—

Budgetary Policy

The Agency prepares a budget for its general fund operations. The statement of revenues and expenditures and changes in fund balances and actual-general fund presents comparison of the legally adopted budget with the actual data on a budgetary basis.

Under Idaho Code, the Agency's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, except as allowed by the Code for certain events.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Agency because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Capital Assets

Capital Assets, which include land, building and improvements, and furniture and equipment, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

The Agency's capital assets are being depreciated using the straight line method over their useful lives.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Entity Classifications

- A. City-Wide Financial Statements – The City reports net assets in three categories – invested in capital assets, restricted and unrestricted.
- B. Fund Financial Statements – The City has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

**KETCHUM URBAN RENEWAL AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

Continued—

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments' highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by; governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

## 2. PROPERTY TAXES

Property taxes are billed and collected within the same period in which the taxes are levied. The Agency does not levy property taxes; however, it is entitled to the taxes levied on the increase in assessed valuation of real and personal property within its jurisdiction that occur after January 1, 2006.

In accordance with Idaho law, property taxes are levied in September for each calendar year. All personal taxes and one-half of real property taxes are due by December 20. The second half of the real property taxes is due by June 20. Tax levies on such assessed values are certified to the County prior to the commencement of the fiscal year.

Taxes are collected by Blaine County and remitted to the Agency primarily in January and July of the fiscal year. The Agency defers recognition of property taxes assessed but not collected within 60 days of the fiscal year-end. Such amounts have been recognized as revenues as they are deemed immaterial to the financial statements taken as a whole.

## 3. CASH AND DEPOSITS

*Deposits:* Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Agency has no deposit policy for custodial credit risk. At year end, \$ 250,000 of the Agency's bank balance was not exposed to custodial credit risk because it was insured by the FDIC and \$263,145 of deposits were exposed to custodial credit risk.

**KETCHUM URBAN RENEWAL AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

Continued—

*Investments:* Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the Agency held the following investments:

Investment Type

Idaho State Local Government Investment Pool     \$ 1,476,838.

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the Agency voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the Agency's position in the external investment pool is the same as the value of the pool shares.

*Credit Risk:* The Agency's policy is to comply with Idaho State statutes which authorize the Agency to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

*Interest rate risk and concentration of credit risk:* The Agency has no policy regarding these two investment risk categories.

The Agency maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Cash and Deposits".

Cash and Deposits are comprised of the following at the financial statement date:

Cash on Hand	\$        0
Deposits with financial institutions:	
Demand deposits	13,145
State of Idaho Investment Pool	<u>1,476,838</u>
Total	<u>\$1,489,983</u>

**4. RESTRICTED ASSETS AND BOND DISCOUNTS**

On August 19, 2010 the Agency created restricted cash deposits for bond contingencies (See Note 6). Additionally, the bonds were sold at a discount that will be amortized with bond originating costs over the life of the bonds.

**KETCHUM URBAN RENEWAL AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

Continued -

In fiscal year ended September 30, 2007, the URA purchased real property formerly known as the Dollhouse located at 1<sup>st</sup> & Washington in Ketchum for the sum of \$2.25 million. The down payment for the purchase of this property of \$707,914 was obtained by the URA as a transfer from the City of Ketchum's restricted In Lieu Affordable Housing Fund. Since that time, the City of Ketchum's restricted In Lieu Affordable Housing Fund has transferred to the URA an additional \$147,916 to pay interest on the debt associated with this property as well as to make necessary property repairs.

In fiscal year ended September 30, 2008, the URA purchased real property formerly known as the Mountain West Bank building located at Sun Valley Rd. and East Ave. in Ketchum for the sum of \$3.2 million. The down payment for the purchase of the Mountain West Bank building property of \$640,000 was obtained by the URA as a transfer from the City of Ketchum's restricted In Lieu Affordable Housing Fund.

On April 12, 2011, \$640,000 of restricted fund value was transferred to the 1<sup>st</sup> & Washington property from the Mountain West Bank Building, leaving no further restriction on the value of the Mountain West Bank Building. In 2018 the Agency donated the Mountain West property to the City of Ketchum.

Accordingly, \$1,261,687 of the value of the 1<sup>st</sup> & Washington property continues to be restricted to future affordable housing purposes. In 2016 the Agency has determined to pay this amount back to the City of Ketchum over the next several years as funds are available. This amount is not accrued in the Agency's records, but will be expensed when paid. Prior to this year the Agency has paid the City of Ketchum \$234,143. In the current year the Agency paid nothing leaving the restricted amount at \$1,261,687.

**5. GENERAL FIXED ASSETS**

Capital asset activity for the year ended September 30, 2019 is as follows:

	<u>Beginning Balances</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balances</u>
<b>Governmental Activities:</b>							
<i>Capital Assets not being depreciated:</i>							
Land - First & Washington	\$ 2,294,746	\$		\$		\$	2,294,746
1st & Washington	1,474,000						1,474,000
Fourth Street Corridor Improvements	1,000,000						1,000,000
Total	<u>4,768,746</u>		<u>0</u>		<u>0</u>		<u>4,768,746</u>
<i>Capital Assets being depreciated:</i>							
Infrastructure	146,369						146,369
Total	<u>146,369</u>		<u>0</u>		<u>0</u>		<u>146,369</u>
Less: Accumulated Depreciation:	5,855		5,855				11,710
Total Net Depreciated Assets	<u>140,514</u>		<u>(5,855)</u>		<u>0</u>		<u>134,659</u>
Governmental capital assets, net	<u>\$ 4,909,260</u>	\$	<u>(5,855)</u>	\$	<u>0</u>	\$	<u>4,903,405</u>

**KETCHUM URBAN RENEWAL AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

Continued—

**6. LONG-TERM DEBT**

On August 19, 2010 the Agency sold \$ 6,440,000 of Revenue Allocation (Tax Increment) Refinancing Bonds, Series 2010. The proceeds from this bond issuance paid three notes held previously in the Agency. The bond servicing agent is U.S. Bank N.A. A summary of future payments of principle and interest follows the notes to these financial statements. The bond ordinance created restricted cash for a reserve in the amount of \$ 549,717 for payments of principle and interest in the event of default by the agency.

Long-term debt at September 30, 2019 is as follows:

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Balance</u>
Bonds payable	Var. 2 – 5.5%	2020-2035	\$ 5,620,000

The following is a summary of the principal due over the next five and subsequent five year increments:

2020	\$	180,000
2021		200,000
2022		240,000
2023		260,000
2024		295,000
2025-2029		1,710,000
2030-2034		2,215,000
2035		<u>520,000</u>
Total	\$	<u>5,620,000</u>

**7. LABOR AND ASSOCIATED COSTS**

The Agency does not currently employee any staff and contracts with the City of Ketchum for administrative duties. Labor and associated costs are allocated to the Agency for reimbursement purposes. Because of the nature of the reimbursement, the Agency does not report any payroll or retirement liabilities.

**8. LITIGATION**

The Agency, at the financial statement date, is not involved in any material disputes as either plaintiff or defendant.

**9. RISK MANAGEMENT**

The Agency is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; injuries to the general public; and natural disasters. The Agency carries commercial insurance coverage for these risks to the extent deemed prudent by the board of commissioners.

**10. SUBSEQUENT EVENTS**

Subsequent events were evaluated through the date of the auditor's report, which is the date the Financial statements were available to be issued.

REQUIRED  
SUPPLEMENTARY INFORMATION

**KETCHUM URBAN RENEWAL AGENCY**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the year ended September 30, 2019**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes - Tax Increment Revenues	\$ 1,438,890	\$ 1,656,376	\$ 217,486
Rent Revenue	48,000	44,000	(4,000)
Miscellaneous Revenue			0
Earnings on investments	2,000	10,288	8,288
	<u>1,488,890</u>	<u>1,710,664</u>	<u>221,774</u>
<b>EXPENDITURES:</b>			
Office Expense	500	128	372
Professional Fees	56,000	62,804	(6,804)
Advertising/Publications	1,000	398	602
Insurance	2,740	2,734	6
Administrative Expenses	33,911	33,313	598
Repairs			0
Reimburse Ketchum City - General Expense	105,394	105,394	0
Reimburse Ketchum City - In Lieu Housing	90,000		90,000
Capital Outlay	615,000	702,328	(87,328)
	<u>904,545</u>	<u>907,099</u>	<u>(2,554)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>584,345</u>	<u>803,565</u>	<u>219,220</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer to URA Debt Service Fund	(458,923)	(458,923)	0
<b>NET CHANGE IN FUND BALANCE</b>	125,422	344,642	\$ <u>219,220</u>
<b>FUND BALANCE - BEGINNING</b>	<u>251,539</u>	<u>251,539</u>	
<b>FUND BALANCE - ENDING</b>	\$ <u>376,961</u>	\$ <u>596,181</u>	

The accompanying notes are a part of these financial statements.



**KETCHUM URBAN RENEWAL AGENCY**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**for the year ended September 30, 2019**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes - Tax Increment Revenues	\$	\$	\$ 0
Penalty and Interest on Taxes			0
Rent Revenue			0
Miscellaneous Revenue			0
Earnings on investments	<u>4,000</u>	<u>5,576</u>	<u>1,576</u>
Total revenues	<u>4,000</u>	<u>5,576</u>	<u>1,576</u>
<b>EXPENDITURES:</b>			
Labor and Taxes			0
Labor Benefits			0
Professional Fees	1,600	1,750	(150)
Advertising/Publications			0
Insurance			0
Utilities			0
Administrative Expenses			0
Miscellaneous			0
Repairs			0
Office Expense			0
Interest Expense	298,455	297,738	717
Payment on Principle Debt	160,000	160,000	0
Capital Outlay			0
Total expenditures	<u>460,055</u>	<u>459,488</u>	<u>567</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(456,055)</u>	<u>(453,912)</u>	<u>2,143</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer from URA General Fund	<u>458,923</u>	<u>458,923</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,868	5,011	\$ <u><u>2,143</u></u>
<b>FUND BALANCE - BEGINNING</b>	<u>892,881</u>	<u>892,881</u>	
<b>FUND BALANCE - ENDING</b>	\$ <u><u>895,749</u></u>	\$ <u><u>897,892</u></u>	

The accompanying notes are a part of these financial statements.

OTHER  
SUPPLEMENTARY INFORMATION

**KETCHUM URBAN RENEWAL AGENCY**  
**Bond-Future Principal and Interest Requirements**  
**at September 30, 2019**

Annual Payment			
Interest Rate	Fiscal Year	Principal Payment	Interest Payment
\$6,440,000 Revenue Allocation Refinancing			
Bonds, Series 2010			
2.0% - 5.5%			
4.50%	2020	\$ 180,000	\$ 291,005
4.50%	2021	200,000	282,455
4.75%	2022	240,000	272,255
4.80%	2023	260,000	260,315
5.00%	2024	295,000	246,700
5.00%	2025	310,000	231,575
5.30%	2026	325,000	215,212
5.30%	2027	340,000	197,590
5.30%	2028	360,000	179,040
5.30%	2029	375,000	159,562
5.30%	2030	400,000	139,025
5.50%	2031	420,000	116,875
5.50%	2032	440,000	93,225
5.50%	2033	465,000	68,338
5.50%	2034	490,000	42,075
5.50%	2035	520,000	14,300
		\$ 5,620,000	\$ 2,809,547

The accompanying notes are a part of these financial statements.

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

November 8, 2018

To the Board of Commissioners  
Ketchum Urban Renewal Agency  
Ketchum, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Ketchum Urban Renewal Agency, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Ketchum Urban Renewal Agency's basic financial statements, and have issued our report thereon dated November 8, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Ketchum Urban Renewal Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ketchum Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ketchum Urban Renewal Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Ketchum Urban Renewal Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report Continued—

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Workman & Company*

WORKMAND AND COMPANY  
Certified Public Accountants  
Twin Falls, Idaho

# WORKMAN & COMPANY

Office of  
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November 8, 2019

To the Board of Commissioners  
Ketchum Urban Renewal Agency  
Ketchum, Idaho

We have audited the financial statements of the governmental activities of the Ketchum Urban Renewal Agency, for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 10, 2019. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Ketchum Urban Renewal Agency, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Ketchum Urban Renewal Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Ketchum Urban Renewal Agency's financial statements was:

Management's estimate of the useful lives of fixed assets is based on historical data. We evaluated the key factors and assumptions used to develop the useful lives of fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 8, 2019.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Ketchum Urban Renewal Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to Budgetary Information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of the Ketchum Urban Renewal Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Workman & Company*

WORKMAN AND COMPANY  
Certified Public Accountants  
Twin Falls, Idaho