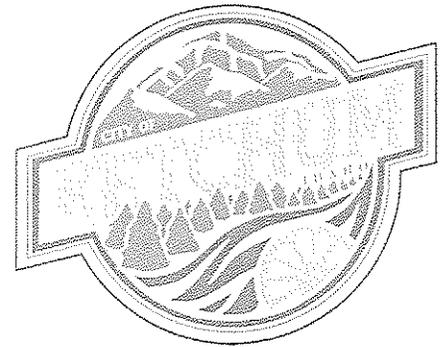


CITY COUNCIL CALENDAR OF THE CITY OF KETCHUM, IDAHO

Monday, December 3, 2012, beginning at 5:30 p.m.

480 East Avenue, North, Ketchum, Idaho

Approximate starting time for each agenda item is indicated at left.



- 5:30 1. CALL TO ORDER
- 5:30 2. COMMUNICATIONS FROM MAYOR AND COUNCILORS.
a) Share the Spirit Proclamation - Mayor Hall. Tab 1
3. COMMUNICATIONS FROM THE PUBLIC.
- 5:45 a) Communications from the public.
- 6:00 b) FY2011-2012 Audit Report - Dennis Brown, CPA. Tab 2
4. COMMUNICATIONS FROM CITY STAFF.
- 6:20 a) Ketchum Events Commission policy recommendations - Jennifer L. Smith, Director of Parks & Recreation. Tab 3
- 6:50 b) Ketchum Arts Commission Annual Report - Jennifer L. Smith, Director of Parks & Recreation. Tab 4
- 7:15 c) Sawtooth Residences Townhouse Preliminary Plat - Rebecca F. Bundy, Associate Planner. Tab 5
- 7:30 5. COMMUNICATIONS FROM THE PRESS.
6. AGREEMENTS AND CONTRACTS.
- 7:35 a) FY2012-13 Law Enforcement Contract - Steve Harkins, Chief of Police. Tab 6
- 7:50 b) FY2012-13 Animal Shelter Contract - Steve Harkins, Chief of Police. Tab 7
- 8:00 c) Strategic Communications Services Letter of Agreement - Lisa Enourato, Special Projects Manager. Tab 8
7. ORDINANCES AND RESOLUTIONS.
- 8:30 a) Ordinance 1102: An ordinance of the City of Ketchum, Idaho, enacting a new section to the Ketchum Municipal Code Title 9.24, to prohibit discriminatory acts in housing, employment and public accommodations based upon sexual orientation and gender identity/expression, establishing a purpose and policy declaration; establishing definitions, enumerating prohibited discriminatory acts; providing exceptions; establishing a Human Rights Board; providing due process including mediation, investigation, and hearing; providing a penalty provision; clarifying that this ordinance does not create a private right of action; providing a savings and severability clause, approving a summary of the ordinance; and providing an effective date - Stephanie Bonney, City Attorney. Tab 9
- 8:55 b) Ordinance 1103: An ordinance of the City of Ketchum, Idaho, amending Title 15, Buildings and Construction, Chapter 15.16, Demolition of Structures, deleting references in 15.16.040B to require a building permit to demolish a building; providing for publication; providing a repealer clause; providing a codification clause; and providing for an effective date - Rebecca F. Bundy, Associate Planner. Tab 10

- 9:10 c) Resolution 12-025: Establishing Regular City Council meeting dates for 2013 - Sandy Cady, City Treasurer/Clerk. Tab 11
- 9:15 d) Resolution 12-026: Establishing Regular Planning and Zoning Commission meeting dates for 2013 - Sandy Cady, City Treasurer/Clerk. Tab 12
- 9:20 8. CONSENT CALENDAR. Tab 13
- a) Approval of minutes from the November 19, 2012 Council meeting.
 - b) Recommendation to approve current bills and payroll summary.
9. EXECUTIVE SESSION to discuss personnel, litigation and land acquisition pursuant to Idaho Code §§67-2345 1(a) (b), (c) and (f).
10. ADJOURNMENT.

Any person needing special accommodations to participate in the above noticed meeting should contact the City of Ketchum three days 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.

Check out our website: www.ketchumidaho.org.

City of Ketchum, Idaho

P.O. Box 2315 Ketchum, ID 83340 (208) 726-3841 Fax: (208) 726-8234



November 28, 2012

Mayor Hall and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Hall and City Councilors:

December 3, 2012 City Council Agenda Report

The regular Council meeting will begin at **5:30 p.m.**

2. COMMUNICATIONS FROM MAYOR AND COUNCIL.
 - a) Share the Spirit Proclamation - Mayor Hall.

Mayor Hall will proclaim December 7th, 8th and 9th to be "Share the Spirit Local Promotion Days" in honor of the "Share the Spirit" event which seeks to increase local business sales and help local charities. A copy of the proclamation has been included in the packet for Council review.

RECOMMENDATION: None.

RECOMMENDED MOTION: None.

This is an executive action.

3. COMMUNICATIONS FROM THE PUBLIC.
 - b) FY2011-2012 Audit Report - Dennis Brown, CPA.

The City's independent auditor, Dennis Brown, will report to the City Council on the FY2011-2012 Audit Report. A copy of the report has been included in the packet for Council review.

RECOMMENDATION: Staff respectfully recommends the City Council accept the audited FY2011-2012 financial statements.

RECOMMENDED MOTION: "I move to accept the audited FY2011-2012 financial statements."

This is a legislative matter.

4. COMMUNICATIONS FROM CITY STAFF.

- a) Ketchum Events Commission policy recommendations - Jennifer L. Smith, Director of Parks & Recreation.

The Ketchum Events Commission is recommending Council approval of new policies related to community events. A detailed staff report from Jen Smith has been provided in the packet for Council review.

RECOMMENDATION: Staff respectfully recommends the City Council adopt the Ketchum Events Commission Policy as provided with the staff report. Staff also seeks guidance regarding updates to Chapter 12.32 Special Events Permits within the Ketchum City Code.

RECOMMENDED MOTION: *"I move to adopt the Ketchum Events Commission Policy as provided with the staff report."*

This is a legislative matter.

- b) Ketchum Arts Commission Annual Report - Jennifer L. Smith, Director of Parks & Recreation.

Jen Smith will update the City Council concerning the activities of the Ketchum Arts Commission. A staff report from Jen has been included in the packet for Council review.

RECOMMENDATION: None at this time.

RECOMMENDED MOTION: None.

This is a legislative matter.

- c) Sawtooth Residences Townhouse Preliminary Plat - Rebecca F. Bundy, Associate Planner.

Staff is seeking the Council's approval of the Sawtooth Residences Townhouse Preliminary Plat. A detailed staff report from Rebecca Bundy has been provided in the packet for Council review.

RECOMMENDATION: Staff respectfully recommends the City Council approve the Sawtooth Residence Townhomes Townhouse Subdivision Preliminary Plat.

RECOMMENDED MOTION: *"I move to approve the Sawtooth Residence Townhomes Townhouse Subdivision Preliminary Plat, finding the application meets with the applicable review standards with conditions 1 through 7, as noted in the staff report."*

This is a quasi-judicial matter.

6. AGREEMENTS AND CONTRACTS.

a) FY2012-13 Law Enforcement Contract - Steve Harkins, Chief of Police.

The FY2012-13 Law Enforcement Contract has been included in the packet for Council review and approval. The contract remains unchanged from prior years. The contract fee amount is \$1,267,250, which represents a 1.8 percent increase over the prior year contract. A staff report from Steve Harkins has been provided in the packet for Council review.

RECOMMENDATION: Staff respectfully recommends the City Council approve the FY2012-13 Contract for Law Enforcement Services with Blaine County in the amount of \$1,267,250.

RECOMMENDED MOTION: "I move to approve the FY2012-13 Contract for Law Enforcement Services with Blaine County in the amount of \$1,267,250."

This is a legislative matter.

b) FY2012-13 Animal Shelter Contract - Steve Harkins, Chief of Police.

The FY2012-13 Animal Shelter Contract with the Animal Shelter of the Wood River Valley has been included in the packet for Council review and approval. The contract remains unchanged from prior years. The contract fee amount of \$2,000 remains unchanged from the prior year contract. A staff report from Steve Harkins has been provided in the packet for Council review.

RECOMMENDATION: Staff respectfully recommends the City Council approve the FY2012-13 Animal Shelter Contract with the Animal Shelter of the Wood River Valley in the amount of \$2,000.

RECOMMENDED MOTION: "I move to approve the FY2012-13 Animal Shelter Contract with the Animal Shelter of the Wood River Valley in the amount of \$2,000."

This is a legislative matter.

c) Strategic Communications Services Letter of Agreement - Lisa Enourato, Special Projects Manager.

Staff is seeking Council approval of a letter agreement with Red Sky Public Relations for strategic communications services in an amount not to exceed \$3,000 per month. This proposal is being forwarded to the Council in context with the high priority placed on external communications by the Council during the October 2, 2012 goal setting session. Representatives from Red Sky will be present at the meeting and will report to the Council on the

proposed scope of services. A staff report from Lisa Enourato has been provided in the packet for Council review.

RECOMMENDATION: Staff respectfully recommends the City Council approve the Letter of Agreement with Red Sky Public Relations for strategic communications services in an amount not to exceed \$3,000 per month.

RECOMMENDED MOTION: *"I move to approve the Letter of Agreement with Red Sky Public Relations for strategic communications services in an amount not to exceed \$3,000 per month."*

This is a legislative matter.

7. ORDINANCES AND RESOLUTIONS.

- a) Ordinance 1102: An ordinance of the City of Ketchum, Idaho, enacting a new section to the Ketchum Municipal Code Title 9.24, to prohibit discriminatory acts in housing, employment and public accommodations based upon sexual orientation and gender identity/expression, establishing a purpose and policy declaration; establishing definitions, enumerating prohibited discriminatory acts; providing exceptions; establishing a Human Rights Board; providing due process including mediation, investigation, and hearing; providing a penalty provision; clarifying that this ordinance does not create a private right of action; providing a savings and severability clause, approving a summary of the ordinance; and providing an effective date - Stephanie Bonney, City Attorney.

Ordinance 1102 proposes to prohibit discriminatory acts in housing, employment and public accommodations based on sexual orientation and gender identity/expression. A staff report from City Attorney Paul Fitzer has been included in the packet along with a copy of Ordinance 1102.

RECOMMENDATION: Staff respectfully recommends the City Council approve the first reading of Ordinance 1102.

RECOMMENDED MOTION: *"Pursuant to Idaho Code 50-902, I move for the first reading of Ordinance 1102, amending Title 9, Ketchum Municipal Code by addition of a new chapter, 9.24 entitled Discrimination Prohibited, and scheduling of a second reading for January 7, 2013."*

This is a legislative matter.

- b) Ordinance 1103: An ordinance of the City of Ketchum, Idaho, amending Title 15, Buildings and Construction, Chapter 15.16, Demolition of Structures, deleting references in 15.16.040B to require a building permit to demolish a building; providing for publication; providing a repealer clause; providing a codification clause; and providing for an effective date – Joyce Allgaier, AICP, Planning Manager.

Ordinance 1103 changes requirements related to obtaining a building permit for the demolition of a building. A detailed staff report from City Attorney Paul Fitzer has been included in the packet for Council review.

RECOMMENDATION: Staff respectfully recommends the City Council approve the first reading of Ordinance 1103.

RECOMMENDED MOTION: *"Pursuant to Idaho Code 50-902, I move for the first reading of Ordinance 1103, amending Ketchum Municipal Code, Title 15, Buildings and Construction, Section 15.16, Demolition of Structures Deleting reference in 15.16.030B and 15.16.040B requiring a building permit to demolish a building, and scheduling of a second reading for January 7, 2013."*

This is a legislative matter.

- c) Resolution 12-025: Establishing Regular City Council meeting dates for 2013 - Sandy Cady, City Treasurer/Clerk.

Resolution 12-025 establishes the schedule for regular City Council meetings in 2013. A staff report and a copy of the resolution have been provided in the packet for Council review.

RECOMMENDATION: Staff respectfully recommends the City Council approve Resolution 12-025, establishing the schedule for regular City Council meetings in 2013.

RECOMMENDED MOTION: *"I move to approve Resolution 12-025, establishing the dates for all regular City Council meetings in 2013."*

This is a legislative matter.

- d) Resolution 12-026: Establishing Regular Planning and Zoning Commission meeting dates for 2013 - Sandy Cady, City Treasurer/Clerk.

Resolution 12-026 establishes the schedule for regular Planning and Zoning Commission meetings in 2013. A staff report and a copy of the resolution have been provided in the packet for Council review.

RECOMMENDATION: Staff respectfully recommends the City Council approve Resolution 12-026, establishing the schedule for regular Planning and Zoning Commission meetings in 2013.

RECOMMENDED MOTION: *"I move to approve Resolution 12-026, establishing the dates for all regular Planning and Zoning Commission meetings in 2013."*

This is a legislative matter.

8. CONSENT AGENDA.

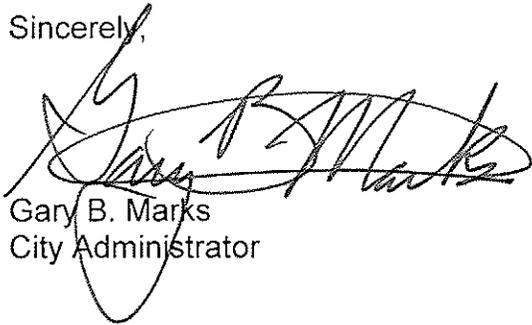
- a) Approval of minutes from the November 19, 2012 Council meeting.

Copies of the minutes from the November 19, 2012 Council meeting have been provided in the packet of Council review.

- b) Recommendation to approve current bills and payroll summary.

A list of bills for approval and the payroll summary have been included in the packet for Council review.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary B. Marks". The signature is written in a cursive style with a large, sweeping initial "G".

Gary B. Marks
City Administrator

**SHARE THE SPIRIT
DECEMBER 7TH, 8TH AND 9TH, 2012**

WHEREAS, WREP, Sun Valley Property News and The Copy Center have collaborated to bring back "Share the Spirit", an event geared towards increasing local business sales and helping local charities; and

WHEREAS, local businesses will stay open until 8 pm on December 7th, 8th and 9th; and

WHEREAS, retailers will contribute a percentage of sales during those days to a local nonprofit, and;

WHEREAS, over 50 retailers and 24 local nonprofits have agreed to participate in the event; and

WHEREAS, WREP, Sun Valley Property News and The Copy Center are helping to promote the event; and

NOW, THEREFORE, Randy Hall, Mayor of Ketchum, does hereby proclaim December 7, 8 and 9, 2012 to be Share the Spirit Shop Local Promotion Days.

Randy Hall, Mayor

City of Ketchum, Idaho

P.O. Box 2315 Ketchum, ID 83340 (208) 726-3841 Fax: (208) 726-8234



December 3, 2012

Mayor Hall and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Hall and City Councilors:

REVISED
**Recommendation to Accept the Audited
FY 11-12 Financial Statements**

Introduction/History

The City has contracted with Dennis R. Brown, CPA for auditing services for the Fiscal Years ending September 30, 2012, September 30, 2013 and September 30, 2014.

The fee for auditing services are:

\$7,400 for FY 2012

\$7,600 for FY 2013

\$7,800 for FY 2014

Current Report

Dennis Brown has completed the audit for FY 11-12 and will be presenting it to the City Council for adoption.

In FY 09-10 the Street Maintenance Fund was separated out of the General Fund for budgeting purposes. In FY 10-11 the Fire & Rescue Fund, Ambulance Service Fund and Parks & Recreation Fund were also separated out of the General Fund for budgeting purposes. The Financial Statements have combined the General Fund, Street Maintenance Fund, Fire & Rescue Fund, Ambulance Service Fund and Parks & Recreation Fund, since they do not qualify as Special Funds.

The Ending Fund Balance for FY 11-12 for the individual funds, combined with the General Fund are as follows:

General Fund	\$1,818,906	
Street Maintenance Fund	\$ 412,337	
Fire and Rescue Fund	\$ 187,619	
Ambulance Service Fund	\$ 96,744	
Parks and Recreation Fund	\$ 137,034	
Total Combined General Fund	\$2,652,640	(See Page 15 of Financial Statements)

Financial Requirement/Impact

The cost for auditing services for the FY 11-12 is \$7,400.

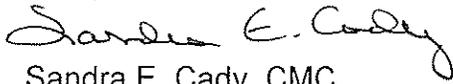
Recommendation

I respectfully recommend the City Council accept the Audited FY 11-12 Financial Statements.

Recommended Motion

"I move to accept the Audited FY 11-12 Financial Statements."

Sincerely,

A handwritten signature in black ink that reads "Sandra E. Cady". The signature is written in a cursive style with a large, looping "S" and a long, sweeping "y".

Sandra E. Cady, CMC
City Treasurer/Clerk

CITY OF KETCHUM, IDAHO

Financial Statements

Year Ended September 30, 2012

CITY OF KETCHUM, IDAHO
Financial Statements
For the year ended September 30, 2012

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828 Blue Lakes Boulevard North • P.O. Box 2367 • Twin Falls, Idaho 83303 • (208) 733-1161 • Fax: (208) 733-6100

INDEPENDENT AUDITOR'S REPORT

November 9, 2012

To the Honorable Mayor and City Council
City of Ketchum
Ketchum, Idaho

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and the discretely presented component unit of the City of Ketchum, Idaho, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ketchum, Idaho's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and the discretely presented component unit of the City of Ketchum, Idaho as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 9, 2012, on my consideration of the City of Ketchum, Idaho's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information, on pages 2-10 and 30-38, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Also, the information presented as supplementary information on pages 39-43 is not a required part of the basic financial statements. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink, appearing to read "Dennis R. Brown". The signature is fluid and cursive.

DENNIS R. BROWN
Certified Public Accountant



CITY OF KETCHUM, IDAHO

Management's Discussion and Analysis

November 9, 2012

The City of Ketchum, Idaho's general purpose external financial statements are presented in this report. The components of the general purpose external financial statements include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI).

FINANCIAL HIGHLIGHTS

- The total of all fund assets of the City of Ketchum exceeded liabilities at the close of the most recent fiscal year by \$ 20,086,581. Of that amount, \$ 3,047,890 (unrestricted net assets) may be used to meet future obligations and programs.
- The Local Option Tax (LOT) receipts increased \$116,720 from the previous year. This Special Revenue Fund received an amount of, \$ 1,755,624.
- General Fund Revenues were \$9,158,317 and expenditures were \$8,874,945.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Ketchum's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Assets. Information on how the City's net assets changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds. Financial statements for the City's component unit are also presented.

City of Ketchum, Idaho
MANAGEMENT DISCUSSION AND ANALYSIS

Continued...

Table 1: Major Features of the Basic Financial Statements			
	Government-wide	Fund Financial Statements	
	Financial Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government and the City's component unit.	Activities of the City that are not proprietary.	Activities of the City that are operated similar to private businesses
Required financial statements	<ul style="list-style-type: none"> * Statement of net assets * Statement of activities 	<ul style="list-style-type: none"> * Balance sheet * Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> * Statement of net assets * Statement of revenues, expenses, and changes in net assets * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> * Revenues for which cash is received during or soon after the end of the year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 of the financial statements for more detailed information on the elements of the financial statements. Table 1 above summarizes the major features of the basic financial statements.

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Assets

The largest component (\$ 15,948,862) of the City's net assets reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not eligible for future spending. Restricted net assets total \$ 1,089,829. Restricted net assets represent resources that are subject to

City of Ketchum, Idaho
MANAGEMENT DISCUSSION AND ANALYSIS

Continued...

external restrictions, constitutional provisions, debt service requirements, or enabling legislation on how they can be used. The remaining portion of net assets is unrestricted, which can be used to finance government operation.

Table 2 below presents the City's condensed statement of net assets as of September 30, 2012, derived from the government-wide Statement of Net Assets.

	Governmental Activities	Business- type Activities	Total Primary Government	Component Unit - Urban Renewal Agency
Current and other assets	\$ 3,322,198	\$ 1,252,966	\$ 4,575,164	\$ 1,476,855
Capital assets	10,932,060	13,933,802	24,865,862	6,550,201
Total Assets	14,254,258	15,186,768	29,441,026	8,027,056
Current Liabilities	119,517	332,361	451,878	212,265
Long-term liabilities	1,287,741	7,614,826	8,902,567	6,325,000
Total Liabilities	1,407,258	7,947,187	9,354,445	6,537,265
Net assets:			0	
Invested in capital assets			0	
net of related debt	9,835,060	6,113,802	15,948,862	160,201
Restricted	439,200	650,629	1,089,829	1,329,590
Unrestricted	2,572,740	475,150	3,047,890	
Total Net Assets	\$ 12,847,000	\$ 7,239,581	\$ 20,086,581	\$ 1,489,791

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the fiscal year ended September 30, 2012 as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net assets of the governmental activities decreased by \$ 10,485 or 0.08% percent, and the net assets of the business-type activities increased by \$ 92,225 or 1.29%.

City of Ketchum, Idaho
MANAGEMENT DISCUSSION AND ANALYSIS

Continued...

Table 3: Condensed Statement of Activities
As of September 30, 2012

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>type</u> <u>Activities</u>	<u>Total</u> <u>Primary</u> <u>Government</u>	<u>Component</u> <u>Unit</u> <u>Urban</u> <u>Renewal</u> <u>Agency</u>
Revenue:				
Program revenues				
Charges for services	\$ 1,692,884	\$ 3,295,748	\$ 4,988,632	\$
Capital grants /contributions	151,844		151,844	
Total program revenues	<u>1,844,728</u>	<u>3,295,748</u>	<u>5,140,476</u>	<u>0</u>
General revenues				
Taxes	5,127,194		5,127,194	631,188
Franchise, licenses, permits	833,256		833,256	
State shared revenues	1,273,717		1,273,717	
Interest	11,201	9,925	21,126	1,328
Other revenues	68,221		68,221	52,347
Total general revenues	<u>7,313,589</u>	<u>9,925</u>	<u>7,323,514</u>	<u>684,863</u>
Total revenues	<u>9,158,317</u>	<u>3,305,673</u>	<u>12,463,990</u>	<u>684,863</u>
Program expenses:				
General government	2,330,977		2,330,977	
Public safety	3,195,854		3,195,854	
Streets	1,398,971		1,398,971	
Parks and recreation	1,001,915		1,001,915	
Transportation	547,610		547,610	
Affordable Housing	200,000		200,000	240,653
Unallocated Depreciation	443,573		443,573	
Wastewater		1,606,185	1,606,185	
Water		1,256,878	1,256,878	
Interest, long-term debt	49,902	350,385	400,287	321,347
Total program expenses	<u>9,168,802</u>	<u>3,213,448</u>	<u>12,382,250</u>	<u>562,000</u>
Change in net assets	(10,485)	92,225	81,740	122,863
Beginning net assets	<u>12,857,485</u>	<u>7,147,356</u>	<u>20,004,841</u>	<u>1,366,928</u>
Ending net assets	<u>\$ 12,847,000</u>	<u>\$ 7,239,581</u>	<u>\$ 20,086,581</u>	<u>\$ 1,489,791</u>

City of Ketchum, Idaho
MANAGEMENT DISCUSSION AND ANALYSIS

Continued...

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Expense (Revenues) (a)</u>
General government	\$ 2,330,977	\$ 1,515,921	\$ (815,056)
Public safety	3,195,854		(3,195,854)
Streets	1,398,971		(1,398,971)
Parks and Recreation	1,001,915	176,963	(824,952)
Transportation	547,610		(547,610)
Affordable Housing	200,000		(200,000)
Interest on long-term debt	49,902		(49,902)
Unallocated depreciation	443,573		(443,573)
Totals	<u>\$ 9,168,802</u>	<u>\$ 1,692,884</u>	<u>\$ (7,475,918)</u>

(a) Net Program Expenses are mainly supported by taxes.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

<u>City Programs</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Program Expenses (Revenues)</u>
Wastewater	\$ 1,606,185	\$ 1,744,727	\$ 138,542
Water	1,256,878	1,551,021	294,143
Interest on long-term debt	350,385		(350,385)
Totals	<u>\$ 3,213,448</u>	<u>\$ 3,295,748</u>	<u>\$ 82,300</u>

City of Ketchum, Idaho
MANAGEMENT DISCUSSION AND ANALYSIS

Continued...

The City of Ketchum, Idaho adopts an annual budget. A budgetary comparison statement of Governmental Funds is provided below. In total, any negative variances are insignificant.

**Table 6: Analysis of Significant Budget Variances
for Government Activities
For the Fiscal Year Ended September 30, 2012**

	Original and Final Budget	Actual	Variances
Revenues:			
Taxes (including penalties/interest)	\$ 5,392,733	\$ 5,127,194	\$ (265,539)
Franchises, licenses, permits	1,013,685	833,256	(180,429)
State of Idaho	1,267,000	1,321,739	54,739
Fees, Charges for Services	1,557,920	1,692,884	134,964
Other	498,000	183,244	(314,756)
Totals	<u>9,729,338</u>	<u>9,158,317</u>	<u>(571,021)</u>
Expenditures:			
General Government	2,532,566	2,339,986	192,580
Public Safety	3,634,492	3,223,804	410,688
Streets	1,846,591	1,398,971	447,620
Capital Outlay	10,000	0	10,000
Parks and Recreation	1,035,347	1,014,672	20,675
Transportation	507,610	547,610	(40,000)
Affordable Housing	200,000	200,000	0
Debt Service	149,902	149,902	0
Totals	<u>9,916,508</u>	<u>8,874,945</u>	<u>1,041,563</u>
Excess (Deficiency)	<u>\$ (187,170)</u>	<u>\$ 283,372</u>	<u>\$ 470,542</u>

BUDGET VARIANCES IN THE GENERAL FUND

The changes made to the budget format have moved the City into compliance with the budget standards developed by the Government Finance Officers of America (GFOA). An analysis of budget variances this year shows that more assets were budgeted for expenditure than were expended during the current operating cycle.

City of Ketchum, Idaho
MANAGEMENT DISCUSSION AND ANALYSIS

Continued...

**Table 7: Comparison of Statement of Net Assets
As of September 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>	Percentage Change
Current Assets	\$ 4,575,164	\$ 4,338,694	5.4503%
Capital Assets	<u>24,865,862</u>	<u>25,402,975</u>	-2.1144%
Total Assets	<u>29,441,026</u>	<u>29,741,669</u>	-1.0108%
Current Liabilities	451,878	429,798	5.1373%
Long Term Liabilities	<u>8,902,567</u>	<u>9,307,030</u>	-4.3458%
Total Liabilities	<u>9,354,445</u>	<u>9,736,828</u>	-3.9272%
Net Assets:			
Invested in Capital Assets net of related debt	15,948,862	16,100,975	-0.9447%
Restricted	1,089,829	853,335	27.7141%
Unrestricted	<u>3,047,890</u>	<u>3,050,531</u>	-0.0866%
Total Net Assets	<u>\$ 20,086,581</u>	<u>\$ 20,004,841</u>	<u>0.4086%</u>

OVERALL ANALYSIS

Financial highlights for the City as a whole during the fiscal year ended September 30, 2012 show the assets of the City exceeded its liabilities (net assets) at the close to the fiscal year by \$20,086,581 (for governmental activities \$12,847,000, for the business-type activities \$7,239,581). Additionally, the City's total net assets increased during the year by \$ 81,740. Net assets of the governmental activities decreased by \$ 10,485, while net assets of business-type activities increased by \$ 92,225.

City of Ketchum, Idaho
MANAGEMENT DISCUSSION AND ANALYSIS

Continued...

**Table 8: Changes in Fixed Assets
for All Funds
For the Fiscal Year Ended September 30, 2012**

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Infrastructure	\$ 4,921,098			\$ 4,921,098
Buildings and Improvements	29,655,347	371,951		30,027,298
Vehicles and Equipment	7,531,537	96,483		7,628,020
Construction in Progress				0
Totals	<u>42,107,982</u>	<u>468,434</u>	<u>0</u>	<u>42,576,416</u>
Accumulated Depreciation	<u>(16,705,008)</u>	<u>(1,005,546)</u>		<u>(17,710,554)</u>
Net Book Value	<u>\$ 25,402,974</u>			<u>\$ 24,865,862</u>

CAPITAL ASSET AND LONG-TERM, ACTIVITY

Capital Asset Activity

At September 30, 2012, the City reported \$10,932,060 in capital assets for governmental activities and \$13,933,802 in capital assets for business-type activities.

Long-term Debt Activity

See Note 4 of the financial statements for information on the City's long-term debt.

FUNDS ANALYSIS

Funds that experienced significant changes during the year are as follows:

Governmental funds

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$3,305,681. The fund balance increased \$ 283,372 during the fiscal year. The increase is the result of \$9,158,317 of revenues reduced by \$ 8,874,945 of expenditures. The increase in fund balance follows a fund balance increase of \$371,312 in FY2010-11, and results from a continuation of fiscal policies designed to limit spending and preserve and strengthen the City's financial position during uncertain economic times. This ongoing accomplishment is due to the commitment and determination of the City Council and staff to make prudent financial decisions while also seeking to preserve levels of service to the community by continually pursuing and implementing cost savings and efficiencies in operations.

Table 9 below presents an analysis of the fund balances in the Governmental Funds and Enterprise Funds.

City of Ketchum, Idaho
MANAGEMENT DISCUSSION AND ANALYSIS

Continued...

**Table 9: Analysis of Fund Balances
for All Funds
For the Fiscal Year Ended September 30, 2012**

	Investment in Capital Assets	Restricted	Unrestricted	Total Balance
General Fund	\$		\$ 2,668,830	\$ 2,668,830
City Sales Tax Fund		206,752		206,752
GO Bond Debt Fund		1,575		1,575
Capital Improvement Fund		221,087		221,087
In-Lieu Housing Fund		77,296		77,296
Wagon Days Fund		10,152		10,152
Police Trust Fund		108,581		108,581
Community Development Trust Fund		24,678		24,678
Park Trust Fund		3,247		3,247
Water	903,868	361,945	(219,705)	1,046,108
Wastewater	5,209,934	288,684	694,855	6,193,473

REQUESTS FOR INFORMATION

Requests for information regarding City finances should be directed to:

Sandra Cady, CMC
City Treasurer/ Clerk
City of Ketchum, Idaho
P.O. Box 2315
Ketchum, Idaho, 83340
Telephone: (208) 726-3841

ACKNOWLEDGMENTS

A special thanks to City Treasurer/Clerk, Sandra Cady and her staff, Patricia Bennett, Katie Carnduff, and Kathleen Schwartzenberger, for working so hard to operate the financial department of the City. Also, appreciation is expressed to the Mayor, City Council and all the Department Directors for their cooperation and assistance throughout the year in matters pertaining to the financial affairs of the City.

Respectfully submitted,

Gary B. Marks
CITY ADMINISTRATOR

CITY OF KETCHUM, IDAHO
Statement of Net Assets
at September 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit Urban Renewal Agency</u>
<u>ASSETS</u>				
Cash and Deposits	\$ 2,551,233	\$ 558,699	\$ 3,109,932	\$ 682,862
Accounts Receivable & Prepaid Expenses		25,989	25,989	
Taxes Receivable	100,408		100,408	10,231
Due From Other Governments	231,357	17,649	249,006	
Restricted Cash	439,200	650,629	1,089,829	549,440
Other Assets			0	234,322
Totals	<u>3,322,198</u>	<u>1,252,966</u>	<u>4,575,164</u>	<u>1,476,855</u>
Capital Assets:				
Land	4,347,889	15,380	4,363,269	4,494,746
Infrastructure	557,829		557,829	
Buildings and Improvements	6,914,205	23,127,878	30,042,083	2,141,099
Equipment and Vehicles	6,947,740	665,495	7,613,235	
Accumulated Depreciation	<u>(7,835,603)</u>	<u>(9,874,951)</u>	<u>(17,710,554)</u>	<u>(85,644)</u>
Total Capital Assets	<u>10,932,060</u>	<u>13,933,802</u>	<u>24,865,862</u>	<u>6,550,201</u>
Total Assets	<u>14,254,258</u>	<u>15,186,768</u>	<u>29,441,026</u>	<u>8,027,056</u>
<u>LIABILITIES</u>				
Accounts and Interest Payable	16,517	42,361	58,878	147,265
Due To Other Funds				
Long-term Liabilities:				
Portion due or payable within one year:				
Bonds Payable	103,000	290,000	393,000	65,000
Portion due or payable after one year:				
Bonds Payable	994,000	7,530,000	8,524,000	6,325,000
Compensated Absences	<u>293,741</u>	<u>84,826</u>	<u>378,567</u>	
Total Liabilities	<u>1,407,258</u>	<u>7,947,187</u>	<u>9,354,445</u>	<u>6,537,265</u>
<u>NET ASSETS</u>				
Invested in Capital Assets - net of related debt	9,835,060	6,113,802	15,948,862	160,201
Restricted For:				
Debt Service		650,629	650,629	549,440
Other Purposes	439,200		439,200	780,150
Unrestricted	<u>2,572,740</u>	<u>475,150</u>	<u>3,047,890</u>	<u>0</u>
Total Net Assets	<u>\$ 12,847,000</u>	<u>\$ 7,239,581</u>	<u>\$ 20,086,581</u>	<u>\$ 1,489,791</u>

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
Statement of Activities
For the Year Ended September 30, 2012

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets			Component Unit - Urban Renewal Agency
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental:							
General Government	\$ 2,330,977	\$ 1,515,921	\$ 25,634	\$ (789,422)		\$ (789,422)	
Public Protection:							
Public Safety	3,195,854		34,500	(3,161,354)		(3,161,354)	
Streets	1,398,971			(1,398,971)		(1,398,971)	
Parks and Recreation	1,001,915	176,963	91,710	(733,242)		(733,242)	
Transportation	547,610			(547,610)		(547,610)	
Affordable Housing	200,000			(200,000)		(200,000)	
Interest - on long-term debt	49,902			(49,902)		(49,902)	
Unallocated Depreciation	443,573			(443,573)		(443,573)	
Total Governmental Activities	<u>9,168,802</u>	<u>1,692,884</u>	<u>151,844</u>	<u>(7,324,074)</u>		<u>(7,324,074)</u>	
Business Type:							
Water	1,256,878	1,551,021			\$ 294,143	294,143	
Wastewater	1,606,185	1,744,727			138,542	138,542	
Interest - on long-term debt	350,385				(350,385)	(350,385)	\$ (321,347)
Total Business-type Activities	<u>3,213,448</u>	<u>3,295,748</u>	<u>0</u>		<u>82,300</u>	<u>82,300</u>	
Total City of Ketchum, Idaho	<u>\$ 12,382,250</u>	<u>\$ 4,988,632</u>	<u>\$ 151,844</u>	<u>(7,324,074)</u>	<u>82,300</u>	<u>(7,241,774)</u>	
Component Units:							
Urban Renewal Agency	\$ 240,653						(240,653)
Total							<u>(562,000)</u>
General Revenues:							
Property taxes				3,371,570		3,371,570	631,188
Local Option sales taxes				1,755,624		1,755,624	
Franchises, licenses, permits				833,256		833,256	
State of Idaho revenue sharing				827,394		827,394	
State of Idaho sales tax				69,787		69,787	
State of Idaho liquor receipts				275,488		275,488	
State highway user collections				101,048		101,048	
Penalty and interest on property taxes				17,127		17,127	3,749
County court fines				30,895		30,895	
Earnings on investments				11,201	9,925	21,126	1,328
Miscellaneous				20,199		20,199	48,598
Gain on Sale of Assets						0	
Total general revenues and transfers				<u>7,313,589</u>	<u>9,925</u>	<u>7,323,514</u>	<u>684,863</u>
Changes in net assets				(10,485)	92,225	81,740	122,863
Net Assets - Beginning				<u>12,857,485</u>	<u>7,147,356</u>	<u>20,004,841</u>	<u>1,366,928</u>
Net Assets - Ending				<u>\$ 12,847,000</u>	<u>\$ 7,239,581</u>	<u>\$ 20,086,581</u>	<u>\$ 1,489,791</u>

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
Balance Sheet
Governmental Funds
for the year ended September 30, 2012

	General Fund	City Sales Tax Fund	GO Bond Debt Fund	Capital Improvement Fund
ASSETS:				
Cash and Cash Deposits	\$ 2,337,065	\$ 206,752	\$ 1,575	\$ 221,087
Taxes Receivable	100,408			
Prepaid Expenses				
Due From Other Governments	231,357			
Total Assets	\$ 2,668,830	\$ 206,752	\$ 1,575	\$ 221,087
LIABILITIES:				
Accounts Payable	\$ 16,190	\$ 327		\$
Funds Held in Trust				
Due To Other Funds				
Total Liabilities	16,190	327	0	0
FUND BALANCE:				
General Fund	2,652,640			
Special Revenue Funds		206,425		
Debt Service Funds			1,575	
Capital Project Funds				221,087
Total Fund Balance	2,652,640	206,425	1,575	221,087
Total Liabilities and Fund Balance	\$ 2,668,830	\$ 206,752	\$ 1,575	\$ 221,087

Amounts reported for governmental activities in the Statement of Net Assets (page 11) are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds.
The cost of assets is \$ 18,767,663 and the accumulated depreciation is \$ 7,835,603

Long-term liabilities, including bonds and compensated absences
are not payable in the current period and therefore are not reported in the governmental funds

Net Assets of Governmental Funds

The accompanying notes are a part of these financial statements.

<u>In-Lieu Housing Fund</u>	<u>Wagon Days Fund</u>	<u>Police & Fire Trust Fund</u>	<u>Community Development Trust Fund</u>	<u>Park Trust Fund</u>	<u>Total Governmental Funds</u>
\$ 77,296	\$ 10,152	\$ 108,581	\$ 24,678	\$ 3,247	\$ 2,990,433
					100,408
					0
					231,357
<u>\$ 77,296</u>	<u>\$ 10,152</u>	<u>\$ 108,581</u>	<u>\$ 24,678</u>	<u>\$ 3,247</u>	<u>\$ 3,322,198</u>
\$	\$	\$	\$	\$	\$ 16,517
					0
					0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,517</u>
77,296	10,152	108,581	24,678	3,247	2,652,640
					430,379
					1,575
					221,087
<u>77,296</u>	<u>10,152</u>	<u>108,581</u>	<u>24,678</u>	<u>3,247</u>	\$ 3,305,681
<u>\$ 77,296</u>	<u>\$ 10,152</u>	<u>\$ 108,581</u>	<u>\$ 24,678</u>	<u>\$ 3,247</u>	
					10,932,060
					(1,390,741)
					<u>\$ 12,847,000</u>

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2012

	General Fund	City Sales Tax Fund	GO Bond Debt Fund	Capital Improvement Fund
REVENUE:				
Property taxes	\$ 3,371,570	\$	\$	\$
Local Option sales taxes		1,755,624		
Franchises, licenses, permits	583,021	32,470		217,765
State of Idaho shared revenue	827,394			
State of Idaho sales tax	69,787			
State of Idaho liquor receipts	275,488			
State highway user collections	101,048			
Penalty and interest on property taxes	17,127			
County court fines	30,895			
Fees, fines and charges for services	1,636,925			
Grants and contributions	8,250			
Earnings on investments	10,436	2	4	60
Miscellaneous	19,896			
Total Revenue	<u>6,951,837</u>	<u>1,788,096</u>	<u>4</u>	<u>217,825</u>
EXPENDITURES:				
General Government	1,435,517	755,563	500	
Public Safety	3,022,324	166,981		
Streets	1,398,971			
Capital outlay				
Parks and Recreation	926,202			
Transportation		547,610		
Affordable Housing				
Debt Service			149,902	
Total Expenditures	<u>6,783,014</u>	<u>1,470,154</u>	<u>150,402</u>	<u>0</u>
EXCESS REVENUE (EXPENDITURES)	168,823	317,942	(150,398)	217,825
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	188,032		150,000	
Operating transfers (to) other funds	(150,000)	(273,032)		
NET CHANGE IN FUND BALANCES	206,855	44,910	(398)	217,825
FUND BALANCE - BEGINNING	<u>2,445,785</u>	<u>161,515</u>	<u>1,973</u>	<u>3,262</u>
FUND BALANCE - ENDING	<u>\$ 2,652,640</u>	<u>\$ 206,425</u>	<u>\$ 1,575</u>	<u>\$ 221,087</u>

The accompanying notes are a part of these financial statements.

<u>In-Lieu Housing Fund</u>	<u>Wagon Days Fund</u>	<u>Police/Fire Trust Fund</u>	<u>Community Development Trust Fund</u>	<u>Park Trust Fund</u>	<u>Total Governmental Funds</u>
\$	\$	\$	\$	\$	\$
					3,371,570
					1,755,624
					833,256
					827,394
					69,787
					275,488
					101,048
					17,127
					30,895
	9,240		46,719		1,692,884
	17,384	34,500		91,710	151,844
403	44	233	12	7	11,201
		303			20,199
<u>403</u>	<u>26,668</u>	<u>35,036</u>	<u>46,731</u>	<u>91,717</u>	<u>9,158,317</u>
	109,371		39,035		2,339,986
		34,499			3,223,804
					1,398,971
					0
				88,470	1,014,672
200,000					547,610
					200,000
					149,902
<u>200,000</u>	<u>109,371</u>	<u>34,499</u>	<u>39,035</u>	<u>88,470</u>	<u>8,874,945</u>
(199,597)	(82,703)	537	7,696	3,247	283,372
	85,000				423,032
					(423,032)
(199,597)	2,297	537	7,696	3,247	283,372
<u>276,893</u>	<u>7,855</u>	<u>108,044</u>	<u>16,982</u>		<u>3,022,309</u>
\$ <u>77,296</u>	\$ <u>10,152</u>	\$ <u>108,581</u>	\$ <u>24,678</u>	\$ <u>3,247</u>	\$ <u>3,305,681</u>

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
 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, 2012

Net Change in Fund Balance - Total Governmental Funds (Page 16)	\$	283,372
<p>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.</p>		
This is the amount of current year depreciation.		(443,573)
This is the amount of new Governmental Fund assets.		40,707
This is the amount of disposed of Governmental Fund assets.		
<p>Long term liabilities are not recorded in the Governmental funds.</p>		
This is the amount of payments on General Obligation Bonds Payable		149,902
<p>Liability for personal leave days are not recorded in Governmental funds.</p>		
This is the decrease in compensated leave during the year.		<u>(40,893)</u>
Change in Net Assets of Governmental Activities (Page 12)	\$	<u><u>(10,485)</u></u>

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
Statement of Net Assets
Proprietary Funds
at September 30, 2012

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Assets:			
Current Assets:			
Cash and Deposits	\$ (185,291)	\$ 743,990	\$ 558,699
Accts receivable - customers	12,908	13,081	25,989
Accts receivable - other govts.	<u> </u>	<u>17,649</u>	<u>17,649</u>
	(172,383)	774,720	602,337
Restricted Current Assets:			
Cash and Deposits	<u>361,945</u>	<u>288,684</u>	<u>650,629</u>
Total Current Assets	<u>189,562</u>	<u>1,063,404</u>	<u>1,252,966</u>
Capital Assets:			
Plant and equipment	11,461,963	12,346,790	23,808,753
Accumulated depreciation	<u>(5,498,095)</u>	<u>(4,376,856)</u>	<u>(9,874,951)</u>
Net Plant and equipment	<u>5,963,868</u>	<u>7,969,934</u>	<u>13,933,802</u>
Total Assets	<u>6,153,430</u>	<u>9,033,338</u>	<u>15,186,768</u>
Liabilities:			
Current Liabilities:			
Accounts and Interest Payable	19,062	23,299	42,361
Current portion long-term debt	<u>125,000</u>	<u>165,000</u>	<u>290,000</u>
Total current liabilities	<u>144,062</u>	<u>188,299</u>	<u>332,361</u>
Noncurrent Liabilities:			
Bonds Payable	4,935,000	2,595,000	7,530,000
Compensated Absences Payable	<u>28,260</u>	<u>56,566</u>	<u>84,826</u>
Total noncurrent liabilities	<u>4,963,260</u>	<u>2,651,566</u>	<u>7,614,826</u>
Total Liabilities	<u>5,107,322</u>	<u>2,839,865</u>	<u>7,947,187</u>
Net Assets:			
Investment in capital assets net of related debt	903,868	5,209,934	6,113,802
Restricted	361,945	288,684	650,629
Unrestricted	<u>(219,705)</u>	<u>694,855</u>	<u>475,150</u>
Total Net Assets	<u>\$ 1,046,108</u>	<u>\$ 6,193,473</u>	<u>\$ 7,239,581</u>

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
Statement of Revenues, Expenditures, and Changes in Net Assets
Proprietary Funds
for the year ended September 30, 2012

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Operating Revenues:			
Charges for services	\$ 1,512,043	\$ 1,726,988	\$ 3,239,031
Hookups and connections	34,997	14,823	49,820
Reimbursements and Misc.	<u>3,981</u>	<u>2,916</u>	<u>6,897</u>
Total Operating Revenue	<u>1,551,021</u>	<u>1,744,727</u>	<u>3,295,748</u>
Operating Expenses:			
Salaries and benefits	509,433	866,200	1,375,633
Administrative and supplies	437,532	487,925	925,457
Depreciation	<u>309,913</u>	<u>252,060</u>	<u>561,973</u>
Total Operating Expenses	<u>1,256,878</u>	<u>1,606,185</u>	<u>2,863,063</u>
Operating Income	<u>294,143</u>	<u>138,542</u>	<u>432,685</u>
Nonoperating Revenues (Expenses):			
Interest Income	4,227	5,698	9,925
Interest Expense	(232,940)	(117,445)	(350,385)
Gain (Loss) on asset disposal			0
Other			
Total Nonoperating	<u>(228,713)</u>	<u>(111,747)</u>	<u>(340,460)</u>
Income before transfers	<u>65,430</u>	<u>26,795</u>	<u>92,225</u>
Transfers in			
Transfers out			
Net Income	65,430	26,795	92,225
Total Net Assets - Beginning	<u>980,678</u>	<u>6,166,678</u>	<u>7,147,356</u>
Total Net Assets - Ending	<u>\$ 1,046,108</u>	<u>\$ 6,193,473</u>	<u>\$ 7,239,581</u>

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2012

	Water Fund	Wastewater Fund	Total
Cash Flows From Operating Activities:			
Receipts from customers	\$ 1,538,985	\$ 1,806,832	\$ 3,345,817
Payments to suppliers	(437,532)	(487,925)	(925,457)
Payments to employees	(509,433)	(866,200)	(1,375,633)
Payments from (to) other funds			
Other receipts	3,981	2,919	6,900
Net cash provided (used) by operations	<u>596,001</u>	<u>455,626</u>	<u>1,051,627</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase and construction of capital assets	(99,109)	(328,617)	(427,726)
Principal paid on capital debt	(125,000)	(160,000)	(285,000)
Interest paid on capital debt	(232,940)	(117,445)	(350,385)
Net cash provided (used) by capital and related financing activities	<u>(457,049)</u>	<u>(606,062)</u>	<u>(1,063,111)</u>
Cash Flows From Investing Activities:			
Interest Income	<u>4,227</u>	<u>5,698</u>	<u>9,925</u>
Net Increase (Decrease) in Cash and Deposits	143,179	(144,738)	(1,559)
Balances - Beginning of the year	<u>33,475</u>	<u>1,177,412</u>	<u>1,210,887</u>
Balances - Ending of the year	<u>\$ 176,654</u>	<u>\$ 1,032,674</u>	<u>\$ 1,209,328</u>
Displayed as:			
Pooled Cash and Investments	(185,291)	743,990	558,699
Restricted Assets	<u>361,945</u>	<u>288,684</u>	<u>650,629</u>
Balances - Ending of the year	<u>\$ 176,654</u>	<u>\$ 1,032,674</u>	<u>\$ 1,209,328</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	294,143	138,542	432,685
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	309,913	252,060	561,973
Changes in assets and liabilities:			
Receivables, net	(5,204)	65,421	60,217
Accounts and other payables	<u>(2,851)</u>	<u>(397)</u>	<u>(3,248)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 596,001</u>	<u>\$ 455,626</u>	<u>\$ 1,051,627</u>

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
Notes to the Financial Statements
September 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ketchum, Idaho became an incorporated city under the laws of the State of Idaho on October 16, 1961. The accounting policies of the City of Ketchum, Idaho conform to generally accepted accounting principles as applicable to governmental units. The financial statements of the City of Ketchum, Idaho have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities (enterprise funds) provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

For this reporting period, the City has conformed its financial statement model to *Governmental Auditing Standards Board (GASB) Statement No. 34*. This model presents the financial statements as follows:

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the City). These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following governmental funds:

General Fund. This is the City's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

CITY OF KETCHUM, IDAHO
Notes to the Financial Statements
September 30, 2012

-Continued

The City reports the following enterprise funds:

Water and Wastewater Fund. This fund accounts for the operation, maintenance, and development of the City's water and waste-water facilities.

Discretely Presented Component Unit

The Component unit column in the financial statements includes the financial data of the City's only discretely presented component unit, the Ketchum Urban Renewal Agency. It is reported in a separate column to emphasize that it is separate from the City's operations. Complete financial statements of the Ketchum Urban Renewal Agency can be requested.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

(B) Assets, Liabilities, and Equity

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the State of Idaho Treasurer's Office for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at September 30 of each year based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash and Deposits". Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average daily balance of each participating fund.

Cash and Deposits

The City considers cash and deposits in proprietary funds to be cash on hand. In addition, because the State Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a deposit.

CITY OF KETCHUM, IDAHO
Notes to the Financial Statements
September 30, 2012

-Continued

Receivables and Payable

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property Tax Calendar

Property taxes are levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The Blaine County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

Capital Assets

Purchased or constructed capital assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. They are reported net of accumulated depreciation on the Statement of Net Assets. The City capitalizes assets in excess of \$5,000.

Under the requirements of *GASB Statement No. 34*, the City is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. Accordingly, the City has determined not to retroactively report this type of capital asset.

Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office and Other Equipment	3-15
Computer Equipment	3-15

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

CITY OF KETCHUM, IDAHO
Notes to the Financial Statements
September 30, 2012

-Continued

NOTE 2 – 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 City has no deposit policy for custodial credit risk. At year end, none of the City's bank balances were exposed to custodial credit risk because it was insured by the FDIC.

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 City held the following investments:

Investment Type

Idaho State Local Government Investment Pool \$ 3,461,833

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 City 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 City's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City 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 City has no policy regarding these two investment risk categories.

The City 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	\$	20
Deposits with financial institutions:		
Demand deposits		79,001
Other Banks and Investments		658,907
State of Idaho Investment Pool		<u>3,461,833</u>
Total		<u>\$ 4,199,761</u>

CITY OF KETCHUM, IDAHO
Notes to the Financial Statements
September 30, 2012

-Continued

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the current year ended was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 4,347,889	\$	\$	\$ 4,347,889
Construction in Progress				
Total	<u>4,347,889</u>	<u>0</u>	<u>0</u>	<u>4,347,889</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	6,914,205			6,914,205
Infrastructure	557,829			557,829
Vehicles and Equipment	<u>6,907,033</u>	<u>40,707</u>		<u>6,947,740</u>
Total	<u>14,379,067</u>	<u>40,707</u>	<u>0</u>	<u>14,419,774</u>
Less: Accumulated Depreciation:	<u>7,392,030</u>	<u>443,573</u>		<u>7,835,603</u>
Total Net Depreciated Assets	<u>6,987,037</u>	<u>(402,866)</u>	<u>0</u>	<u>6,584,171</u>
 Governmental capital assets, net	 <u>\$ 11,334,926</u>	 <u>\$ (402,866)</u>	 <u>\$ 0</u>	 <u>\$ 10,932,060</u>
 Business-type activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 15,380	\$	\$	\$ 15,380
Construction in Progress				0
Total	<u>15,380</u>	<u>0</u>	<u>0</u>	<u>15,380</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	22,741,142	371,951		23,113,093
Vehicles and Equipment	<u>624,504</u>	<u>55,776</u>		<u>680,280</u>
Total	<u>23,365,646</u>	<u>427,727</u>	<u>0</u>	<u>23,793,373</u>
Less: Accumulated Depreciation	<u>9,312,978</u>	<u>561,973</u>		<u>9,874,951</u>
Total Net Depreciated Assets	<u>14,052,668</u>	<u>(134,246)</u>	<u>0</u>	<u>13,918,422</u>
 Business-type capital assets, net	 <u>\$ 14,068,048</u>	 <u>\$ (134,246)</u>	 <u>\$ 0</u>	 <u>\$ 13,933,802</u>

CITY OF KETCHUM, IDAHO
Notes to the Financial Statements
September 30, 2012

- Continued

NOTE 4 - BONDS PAYABLE

In July of 1998, the City sold \$ 3,405,000 of Water Revenue Bonds, Series 1998. The proceeds of this issue were used to construct a new water storage facility for the City. The bonds are to be retired by user fees generated in the City's enterprise fund.

In 2006 the outstanding bonds were defeased by placing proceeds of a new bond issue, Water Revenue Refunding Bonds Series 2006B for \$ 3,030,000, in an irrevocable trust to provide for all future debt payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the financial statements.

In December of 2004, the City sold \$ 1,990,000 of Sewer Revenue Bonds, Series 2004. The proceeds of this issue were and are being used to make improvements to the City's waste water system. The bonds are to be retired by user fees generated in the City's enterprise fund.

In May of 2006, the City sold \$ 1,730,000 of Sewer Revenue Bonds, Series 2006A. The proceeds of this issue were and are being used to make improvements to the City's waste water system. The bonds are to be retired by user fees generated in the City's enterprise fund.

Also, in May of 2006, the City sold \$ 2,780,000 of Water Revenue Bonds, Series 2006A. The proceeds of this issue were and are being used to make improvements to the City's water system. The bonds are to be retired by user fees generated in the City's enterprise fund.

In June of 2007, the City sold \$1,550,000 of General Obligation Bonds, Series June 5, 2007. The proceeds of this issue were and are being used for capital equipment acquisitions.

The following is a list of the interest and principal payments through the end of the bond issues:

	<u>Water Refunding Bonds 2006B</u>		<u>Sewer Revenue Bonds 2004</u>	
<u>FY</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2013	\$ 106,665	\$ 110,000	\$ 53,547	\$ 90,000
2014	101,165	120,000	50,397	90,000
2015	95,165	125,000	47,184	95,000
2016	88,915	130,000	43,770	100,000
2017-2027	<u>545,482</u>	<u>1,865,000</u>	<u>204,355</u>	<u>1,070,000</u>
Total	\$ <u>937,392</u>	\$ <u>2,350,000</u>	\$ <u>399,253</u>	\$ <u>1,445,000</u>

CITY OF KETCHUM, IDAHO
Notes to the Financial Statements
September 30, 2012

Bonds Payable – Continued

<u>FY</u>	<u>Sewer Revenue Bonds 2006A</u>		<u>Water Revenue Bonds 2006A</u>	
	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2013	\$ 59,095	\$ 75,000	\$ 122,077	\$ 20,000
2014	55,345	80,000	121,078	15,000
2015	51,345	85,000	120,327	15,000
2016	47,095	85,000	119,578	20,000
2017-2035	<u>232,225</u>	<u>990,000</u>	<u>1,753,443</u>	<u>2,640,000</u>
Total	\$ <u>445,105</u>	\$ <u>1,315,000</u>	\$ <u>2,236,503</u>	\$ <u>2,710,000</u>

General Obligation Bonds Series June 5, 2007

<u>FY</u>	<u>Interest</u>	<u>Principal</u>
2013	\$ 46,012	\$ 103,000
2014	41,954	108,000
2015	37,644	112,000
2016	33,131	116,000
2017-2021	<u>88,475</u>	<u>658,000</u>
Total	\$ <u>247,216</u>	\$ <u>1,097,000</u>

NOTE 5 – MISCELLANEOUS REVENUES, GOVERNMENTAL FUND TYPES

The miscellaneous revenues section of the combined statement of revenues and expenditures includes the following amounts:

	<u>General</u>
Rents	\$ 17,613
Miscellaneous	<u>2,586</u>
Total	\$ <u>20,199</u>

CITY OF KETCHUM, IDAHO
Notes to the Financial Statements
September 30, 2012

-Continued

NOTE 6 – LITIGATION

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

NOTE 7 – RESTRICTED NET ASSETS

The ordinance authorizing the Enterprise Fund revenue bonds requires that the City establish certain restricted cash accounts to be used in the retirement of the bonds and improvements to the water and waste-water systems. In addition certain cash amounts are restricted for use in law enforcement, zoning ordinance enforcement, and for other restrictions imposed by the city council in the general fund; and for debt retirement in the long-term debt group of accounts. The City's policy is to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. These restricted amounts are as follows:

	<u>General Fund</u>	<u>Enterprise Funds</u>
Police Fire Trust Cash	\$ 108,581	
Planning & Zoning Trust Cash	28,566	
Parks Trust Cash	4,458	
In-Lieu Housing Cash	77,297	
Capital Improvement Cash	220,298	
Water Revenue Bond Debt Service		\$ 361,945
Wastewater Bonds Debt Service	<u> </u>	<u>288,684</u>
Totals	<u>\$ 439,200</u>	<u>\$ 650,629</u>

NOTE 8 – RISK MANAGEMENT

The City 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 City carries commercial insurance coverage for these risks to the extent deemed prudent by the City Council. The City is also protected by the Idaho Tort Claims Act, which limits exposure to tort claims against the city.

NOTE 9 – KETCHUM URBAN RENEWAL AGENCY

The component unit column in the combined financial statements includes the financial data of the Ketchum Urban Renewal Agency, the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City in accordance with State Urban Renewal law. The Agency has authority to construct public improvements including the acquisition of public right-of-way within the blighted area legally designated as the redevelopment district. The City appoints the governing board of the Agency. The Agency derives its funding from tax increment financing.

CITY OF KETCHUM, IDAHO
Notes to the Financial Statements
September 30, 2012

-Continued

NOTE 10 - PENSION PLAN

Public Employee Retirement System of Idaho - The Public Employee Retirement System of Idaho (PERSI), a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

For the current year, the required contribution rate for general employees was 6.23% and 7.65% of covered payroll for the City of Ketchum, Idaho and its employees, respectively, and 10.39% and 10.73% for police/firefighter employees, for the City of Ketchum, Idaho and its employees, respectively. The City of Ketchum, Idaho contributions required and paid were \$ 444,709, \$ 442,134, and \$ 520,197 for the three years ended September 30, 2012, 2011, and 2010 respectively.

CITY OF KETCHUM, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2012

	<u>Actual Amounts</u>	<u>Original and Final Budget Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
Property taxes	\$ 3,371,570	\$ 3,363,954	\$ 7,616
Franchises, licenses, permits	583,021	786,685	(203,664)
State of Idaho shared revenue	827,394	790,000	37,394
State of Idaho sales tax	69,787	68,000	1,787
State of Idaho liquor receipts	275,488	250,000	25,488
State highway user collections	101,048	112,000	(10,952)
Penalty and interest on property taxes	17,127	15,000	2,127
County court fines	30,895	32,000	(1,105)
Fees, fines and charges for services	1,636,925	1,447,220	189,705
Grants and contributions	8,250	1,000	7,250
Earnings on investments	10,436	6,600	3,836
Miscellaneous	19,896	22,000	(2,104)
	<u>6,951,837</u>	<u>6,894,459</u>	<u>57,378</u>
EXPENDITURES:			
General Government	1,435,517	1,652,444	216,927
Public Safety	3,022,324	3,100,577	78,253
Streets	1,398,971	1,846,591	447,620
Capital outlay			
Parks and Recreation	926,202	935,347	9,145
Transportation			
Affordable Housing			
Debt Service			
	<u>6,783,014</u>	<u>7,534,959</u>	<u>751,945</u>
EXCESS REVENUE (EXPENDITURES)	168,823	(640,500)	809,323
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	188,032	188,032	0
Operating transfers (to) other funds	<u>(150,000)</u>	<u>(150,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	206,855	(602,468)	809,323
FUND BALANCE - BEGINNING	<u>2,445,785</u>	<u>2,445,785</u>	
FUND BALANCE - ENDING	\$ <u>2,652,640</u>	\$ <u>1,843,317</u>	

CITY OF KETCHUM, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- City Sales Tax Fund
for the year ended September 30, 2012

	<u>Actual Amounts</u>	<u>Original and Final Budget Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
Property taxes	\$ 1,755,624	\$ 2,028,779	\$ (273,155)
Local Option sales taxes	32,470	27,000	5,470
Franchises, licenses, permits			
State of Idaho shared revenue			
State of Idaho sales tax			
State of Idaho liquor receipts			
State highway user collections			
Penalty and interest on property taxes			
County court fines			
Fees, fines and charges for services			
Grants and contributions			
Earnings on investments	2	50	(48)
Miscellaneous			
	<u>1,788,096</u>	<u>2,055,829</u>	<u>(267,733)</u>
Total Revenue			
EXPENDITURES:			
General Government	755,563	650,122	(105,441)
Public Safety	166,981	168,915	1,934
Streets			
Capital outlay			
Parks and Recreation			
Transportation	547,610	507,610	(40,000)
Affordable Housing			
Debt Service			
	<u>1,470,154</u>	<u>1,326,647</u>	<u>(143,507)</u>
Total Expenditures			
EXCESS REVENUE (EXPENDITURES)	317,942	729,182	(411,240)
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			0
Operating transfers (to) other funds	<u>(273,032)</u>	<u>(273,032)</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	44,910	456,150	(411,240)
FUND BALANCE - BEGINNING	<u>161,515</u>	<u>161,515</u>	
FUND BALANCE - ENDING	<u>\$ 206,425</u>	<u>\$ 617,665</u>	

CITY OF KETCHUM, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Obligation Bond Debt Fund
for the year ended September 30, 2012

	<u>Actual Amounts</u>	<u>Original and Final Budget Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
Property taxes	\$	\$	\$
Local Option sales taxes			
Franchises, licenses, permits			
State of Idaho shared revenue			
State of Idaho sales tax			
State of Idaho liquor receipts			
State highway user collections			
Penalty and interest on property taxes			
County court fines			
Fees, fines and charges for services			
Grants and contributions			
Earnings on investments	4	0	4
Miscellaneous			
	<u>4</u>	<u>0</u>	<u>4</u>
Total Revenue	<u>4</u>	<u>0</u>	<u>4</u>
EXPENDITURES:			
General Government	500	500	0
Public Safety			
Streets			
Capital outlay			
Parks and Recreation			
Transportation			
Affordable Housing			
Debt Service	<u>149,902</u>	<u>149,902</u>	<u>0</u>
	<u>150,402</u>	<u>150,402</u>	<u>0</u>
Total Expenditures	<u>150,402</u>	<u>150,402</u>	<u>0</u>
EXCESS REVENUE (EXPENDITURES)	(150,398)	(150,402)	4
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	150,000	150,000	0
Operating transfers (to) other funds			
	<u>150,000</u>	<u>150,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(398)	(402)	4
FUND BALANCE - BEGINNING	<u>1,973</u>	<u>1,973</u>	
FUND BALANCE - ENDING	<u>\$ 1,575</u>	<u>\$ 1,571</u>	

CITY OF KETCHUM, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Capital Improvement Fund
for the year ended September 30, 2012

	<u>Actual Amounts</u>	<u>Original and Final Budget Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
Property taxes	\$	\$	\$
Local Option sales taxes			
Franchises, licenses, permits	217,765	200,000	17,765
State of Idaho shared revenue			
State of Idaho sales tax			
State of Idaho liquor receipts			
State highway user collections			
Penalty and interest on property taxes			
County court fines			
Fees, fines and charges for services			
Grants and contributions			
Earnings on investments	60	50	10
Miscellaneous			
	<u>217,825</u>	<u>200,050</u>	<u>17,775</u>
Total Revenue			
EXPENDITURES:			
General Government	0	20,000	20,000
Public Safety			
Streets			
Capital outlay	0	10,000	10,000
Parks and Recreation			
Transportation			
Affordable Housing			
Debt Service			
	<u>0</u>	<u>30,000</u>	<u>30,000</u>
Total Expenditures			
EXCESS REVENUE (EXPENDITURES)	217,825	170,050	47,775
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			0
Operating transfers (to) other funds			
	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	217,825	170,050	47,775
FUND BALANCE - BEGINNING	<u>3,262</u>	<u>3,262</u>	
FUND BALANCE - ENDING	<u>\$ 221,087</u>	<u>\$ 173,312</u>	

CITY OF KETCHUM, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- In-Lieu Housing Fund
for the year ended September 30, 2012

	<u>Actual Amounts</u>	<u>Original and Final Budget Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
Property taxes	\$	\$	\$
Local Option sales taxes			
Franchises, licenses, permits			
State of Idaho shared revenue			
State of Idaho sales tax			
State of Idaho liquor receipts			
State highway user collections			
Penalty and interest on property taxes			
County court fines			
Fees, fines and charges for services			
Grants and contributions			
Earnings on investments	403	150	253
Miscellaneous			
	<u>403</u>	<u>150</u>	<u>253</u>
Total Revenue	<u>403</u>	<u>150</u>	<u>253</u>
EXPENDITURES:			
General Government			0
Public Safety			
Streets			
Capital outlay			
Parks and Recreation			
Transportation			
Affordable Housing	200,000	200,000	0
Debt Service			
	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>0</u>
EXCESS REVENUE (EXPENDITURES)	(199,597)	(199,850)	253
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			
Operating transfers (to) other funds			
NET CHANGE IN FUND BALANCES	(199,597)	(199,850)	253
FUND BALANCE - BEGINNING	<u>276,893</u>	<u>276,893</u>	
FUND BALANCE - ENDING	<u>\$ 77,296</u>	<u>\$ 77,043</u>	

CITY OF KETCHUM, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Wagon Days Fund
for the year ended September 30, 2012

	<u>Actual Amounts</u>	<u>Original and Final Budget Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
Property taxes	\$	\$	\$
Local Option sales taxes			
Franchises, licenses, permits			
State of Idaho shared revenue			
State of Idaho sales tax			
State of Idaho liquor receipts			
State highway user collections			
Penalty and interest on property taxes			
County court fines			
Fees, fines and charges for services	9,240	10,700	(1,460)
Grants and contributions	17,384	13,000	4,384
Earnings on investments	44	0	44
Miscellaneous			
	<u>26,668</u>	<u>23,700</u>	<u>2,968</u>
Total Revenue			
EXPENDITURES:			
General Government	109,371	109,500	129
Public Safety			
Streets			
Capital outlay			
Parks and Recreation			
Transportation			
Affordable Housing			
Debt Service			
	<u>109,371</u>	<u>109,500</u>	<u>129</u>
Total Expenditures			
EXCESS REVENUE (EXPENDITURES)	(82,703)	(85,800)	3,097
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	85,000	85,000	0
Operating transfers (to) other funds			
	<u>85,000</u>	<u>85,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	2,297	(800)	3,097
FUND BALANCE - BEGINNING	<u>7,855</u>	<u>7,855</u>	
FUND BALANCE - ENDING	<u>\$ 10,152</u>	<u>\$ 7,055</u>	

CITY OF KETCHUM, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Police and Fire Trust Funds
for the year ended September 30, 2012

	<u>Actual Amounts</u>	<u>Original and Final Budget Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
Property taxes	\$	\$	\$
Local Option sales taxes			
Franchises, licenses, permits			
State of Idaho shared revenue			
State of Idaho sales tax			
State of Idaho liquor receipts			
State highway user collections			
Penalty and interest on property taxes			
County court fines			
Fees, fines and charges for services			
Grants and contributions	34,500	315,000	(280,500)
Earnings on investments	233	150	83
Miscellaneous	303	40,000	(39,697)
	<u>35,036</u>	<u>355,150</u>	<u>(320,114)</u>
Total Revenue			
EXPENDITURES:			
General Government			
Public Safety	34,499	365,000	330,501
Streets			
Capital outlay			
Parks and Recreation			
Transportation			
Affordable Housing			
Debt Service			
	<u>34,499</u>	<u>365,000</u>	<u>330,501</u>
Total Expenditures			
EXCESS REVENUE (EXPENDITURES)	537	(9,850)	10,387
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			
Operating transfers (to) other funds			
NET CHANGE IN FUND BALANCES	537	(9,850)	10,387
FUND BALANCE - BEGINNING	<u>108,044</u>	<u>108,044</u>	
FUND BALANCE - ENDING	<u>\$ 108,581</u>	<u>\$ 98,194</u>	

CITY OF KETCHUM, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Planning and Zoning Trust Fund
for the year ended September 30, 2012

	<u>Actual Amounts</u>	<u>Original and Final Budget Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
Property taxes	\$	\$	\$
Local Option sales taxes			
Franchises, licenses, permits			
State of Idaho shared revenue			
State of Idaho sales tax			
State of Idaho liquor receipts			
State highway user collections			
Penalty and interest on property taxes			
County court fines			
Fees, fines and charges for services	46,719	100,000	(53,281)
Grants and contributions			
Earnings on investments	12	0	12
Miscellaneous			
	<u>46,731</u>	<u>100,000</u>	<u>(53,269)</u>
Total Revenue			
EXPENDITURES:			
General Government	39,035	100,000	60,965
Public Safety			
Streets			
Capital outlay			
Parks and Recreation			
Transportation			
Affordable Housing			
Debt Service			
	<u>39,035</u>	<u>100,000</u>	<u>60,965</u>
Total Expenditures			
EXCESS REVENUE (EXPENDITURES)	7,696	0	7,696
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			
Operating transfers (to) other funds			
NET CHANGE IN FUND BALANCES	7,696	0	7,696
FUND BALANCE - BEGINNING	<u>16,982</u>	<u>16,982</u>	
FUND BALANCE - ENDING	<u>\$ 24,678</u>	<u>\$ 16,982</u>	

CITY OF KETCHUM, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Park Trust Fund
for the year ended September 30, 2012

	<u>Actual Amounts</u>	<u>Original and Final Budget Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
Property taxes	\$	\$	\$
Local Option sales taxes			
Franchises, licenses, permits			
State of Idaho shared revenue			
State of Idaho sales tax			
State of Idaho liquor receipts			
State highway user collections			
Penalty and interest on property taxes			
County court fines			
Fees, fines and charges for services			
Grants and contributions	91,710	100,000	(8,290)
Earnings on investments	7		7
Miscellaneous			
	<u>91,717</u>	<u>100,000</u>	<u>(8,283)</u>
Total Revenue			
EXPENDITURES:			
General Government			
Public Safety			
Streets			
Capital outlay			
Parks and Recreation	88,470	100,000	11,530
Transportation			
Affordable Housing			
Debt Service			
	<u>88,470</u>	<u>100,000</u>	<u>11,530</u>
Total Expenditures			
EXCESS REVENUE (EXPENDITURES)	3,247	0	3,247
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			
Operating transfers (to) other funds			
NET CHANGE IN FUND BALANCES	3,247	0	3,247
FUND BALANCE - BEGINNING	<u>0</u>	<u>0</u>	
FUND BALANCE - ENDING	<u>\$ 3,247</u>	<u>\$ 0</u>	

CITY OF KETCHUM, IDAHO
 Bond-Future Principal and Interest Requirements
 at September 30, 2012

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
General Obligation Bond:				
\$1,550,000 General Obligation Bonds				
Series June 5, 2007				
3.72% - 4.43%				
	3.94%	2013	\$ 103,000	\$ 46,012
	3.99%	2014	108,000	41,954
	4.03%	2015	112,000	37,644
	4.08%	2016	116,000	33,131
	4.13%	2017	121,000	28,397
	4.28%	2018	126,000	23,400
	4.33%	2019	131,000	18,007
	4.38%	2020	137,000	12,336
	4.43%	2021	143,000	6,335
			\$ 1,097,000	\$ 247,216

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
 Bond-Future Principal and Interest Requirements
 at September 30, 2012

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
Revenue Bond:				
Water Refunding Bond 2006B				
\$3,030,000, May 11, 2006				
4.00% - 5.00%				
	5.00%	2013	\$ 110,000	\$ 106,665
	5.00%	2014	120,000	101,165
	5.00%	2015	125,000	95,165
	5.00%	2016	130,000	88,915
	4.00%	2017	135,000	82,415
	4.20%	2018	145,000	77,015
	4.25%	2019	145,000	70,925
	4.25%	2020	150,000	64,763
	4.20%	2021	160,000	58,387
	4.25%	2022	165,000	51,667
	4.30%	2023	175,000	44,655
	4.30%	2024	185,000	37,130
	5.00%	2025	190,000	29,175
	5.00%	2026	200,000	19,675
	4.50%	2027	215,000	9,675
			\$ 2,350,000	\$ 937,392

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
 Bond-Future Principal and Interest Requirements
 at September 30, 2012

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
Revenue Bond:				
Sewer Revenue Bonds 2004				
\$1,990,000, December 15, 2004				
2.50% - 4.15%				
	3.50%	2013	\$ 90,000	\$ 53,547
	3.50%	2014	90,000	50,397
	3.45%	2015	95,000	47,184
	3.55%	2016	100,000	43,770
	3.70%	2017	100,000	40,144
	3.70%	2018	105,000	36,353
	3.75%	2019	110,000	32,348
	3.80%	2020	115,000	28,100
	3.90%	2021	120,000	23,575
	4.00%	2022	125,000	18,735
	4.05%	2023	125,000	13,704
	4.12%	2024	130,000	8,491
	4.15%	2025	140,000	2,905
			\$ 1,445,000	\$ 399,253

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
 Bond-Future Principal and Interest Requirements
 at September 30, 2012

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
Revenue Bond:				
Sewer Revenue Bonds 2006A				
\$1,730,000, May 11, 2006				
4.00% - 5.00%				
	5.00%	2013	\$ 75,000	\$ 59,095
	5.00%	2014	80,000	55,345
	5.00%	2015	85,000	51,345
	5.00%	2016	85,000	47,095
	4.00%	2017	90,000	42,845
	4.20%	2018	95,000	39,245
	4.25%	2019	100,000	35,255
	4.25%	2020	105,000	31,005
	4.20%	2021	110,000	26,542
	4.25%	2022	115,000	21,923
	4.30%	2023	120,000	17,035
	4.30%	2024	125,000	11,875
	5.00%	2025	130,000	6,500
			<u>\$ 1,315,000</u>	<u>\$ 445,105</u>

The accompanying notes are a part of these financial statements.

CITY OF KETCHUM, IDAHO
 Bond-Future Principal and Interest Requirements
 at September 30, 2012

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
Revenue Bond:				
Water Revenue Bonds 2006A				
\$2,780,000, May 11, 2006				
4.00% - 5.00%				
	5.00%	2013	\$ 20,000	\$ 122,077
	5.00%	2014	15,000	121,078
	5.00%	2015	15,000	120,327
	5.00%	2016	20,000	119,578
	4.00%	2017	20,000	118,577
	4.20%	2018	20,000	117,778
	4.25%	2019	25,000	116,937
	4.25%	2020	25,000	115,875
	4.20%	2021	25,000	114,813
	4.25%	2022	25,000	113,763
	4.30%	2023	25,000	112,700
	4.30%	2024	25,000	111,625
	5.00%	2025	30,000	110,550
	5.00%	2026	30,000	109,050
	4.50%	2027	25,000	107,550
	4.50%	2028	250,000	106,425
	4.50%	2029	265,000	95,175
	4.50%	2030	275,000	83,250
	4.50%	2031	285,000	70,875
	4.50%	2032	300,000	58,050
	4.50%	2033	315,000	44,550
	4.50%	2034	330,000	30,375
	4.50%	2035	345,000	15,525
			\$ <u>2,710,000</u>	\$ <u>2,236,503</u>

The accompanying notes are a part of these financial statements.



828 Blue Lakes Boulevard North • P.O. Box 2367 • Twin Falls, Idaho 83303 • (208) 733-1161 • Fax: (208) 733-6100

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 9, 2012

To the Honorable Mayor and City Council
City of Ketchum
Ketchum, Idaho

I have audited the financial statements of the governmental activities, and business-type activities, and the discretely presented component unit of the City of Ketchum, Idaho, as of and for the year ended September 30, 2012, which collectively comprise the City of Ketchum, Idaho's basic financial statements and have issued my report thereon dated November 9, 2012. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the City of Ketchum, Idaho's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ketchum, Idaho's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dennis R. Brown". The signature is written in a cursive, flowing style.

DENNIS R. BROWN
Certified Public Accountant

City of Ketchum, Idaho

P.O. Box 2315 Ketchum, ID 83340 (208) 726-3841 Fax: (208) 726-8234



December 3, 2012

Mayor Hall and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Hall and City Councilors:

Ketchum Events Commission Annual Report and Request for Approval of Policy Recommendations

Introduction/History

The Ketchum Events Commission (KEC) was formed in January 2012. The mission of the KEC is to facilitate organization and communication of the development and delivery of events in the City of Ketchum.

The further mission of this Commission is:

- To support and conduct entertainment and events which celebrate the spirit, character, history, and heroes of the City of Ketchum.
- Develop programs and events within the City that will support the City and its businesses.
- Provide events that bring Ketchum and the surrounding communities together.

The Ketchum Events Commission was formed, in part, to fill the “events gap” left by the dissolution of the Ketchum/Sun Valley Chamber and Visitors’ Bureau (KSVCVB). Formerly, the KSVCVB facilitated a series of “City-sponsored events” whereby the KSVCVB received \$30,000 from the City of Ketchum to procure and manage events. The City then generally offered department services and extended liability insurance to these events. Currently, these budget dollars exist in the Ketchum Parks & Recreation Department’s budget, though the series of events continues to be in its regular state of re-evaluation and flux.

Members of the KEC are confirmed by Mayor Hall and include:

- Jen Smith, *Chair*
- Thatcher Marstead, *Vice Chair*
- Sharon Arms, *ex-officio, recording secretary*
- Christl Holzl
- Lisa Horowitz
- Marshal McInnis

Parks & Recreation Department

Jennifer L. Smith, Director | jsmith@ketchumidaho.org
208.726.7820 | www.ketchumidaho.org

- Greg Randolph
- John Sofro
- Dani Stern
- Julian Tyo
- Anne Winton, *ex-officio* (Ketchum Arts Commission)

Commission membership is designed to represent a diverse body of individuals who adhere to KEC governance documents and best management practices and who do not represent individual interests.

Current Report

The KEC has met seven times since the commission's inception. Commission work has focused on mission, governance, officer elections, roles and responsibilities of members and (in some cases) member affiliations, best management practices relative to similar organizations, budget, calendars and discussions regarding events locally, regionally and nationally.

During a May 2012 presentation to City Council, the KEC was directed to develop policy recommendations for events. These policy recommendations are included as "Exhibit A" and include the following:

- Request for updating existing City ordinances and processes to reflect KEC's creation including language, permits and appeals in Chapter 12.32 "Special Event Permits"
- "Establishing a Ketchum Events Policy; Guidelines for Ketchum Events Commission and Ketchum City Council" document provided as a tool for event producers, KEC members and City Council members; this document establishes the process by which events producers
 1. apply for and receive or are denied a Special Event Permit;
 2. request and receive or are denied fee waivers, City insurance coverage or other pro bono City services
 3. appeal any decision of the Events & Park Reservations Coordinator and/or Ketchum Events Commission

It was discovered recently that one events item that still exists with the Clerk's Office is the banner policy; we are currently working on updating the banner policy and shifting responsibility from the Clerk's Office to Parks & Recreation; this process will likely transition from the Clerk's office to Parks & Recreation after January 1, 2013.

The KEC continues to work with City staff, elected officials, stakeholder groups, Ketchum's business community, and event producers to cultivate an efficient and highly organized event delivery system designed to reveal economic and social benefits while adhering to best practices as exhibited by similar resort communities. It is requested that City Council continue to support the KEC and remain patient as the KEC further develops its role within City government.

Parks & Recreation Department

Jennifer L. Smith, Director | jsmith@ketchumidaho.org
208.726.7820 | www.ketchumidaho.org

Financial Requirement/Impact

No financial requirement of the City at this time. Events budget dollars are housed within the Parks & Recreation Department's budget and are approved through the budget process for FY13.

Recommendation

I respectfully recommend that City Council adopt the "Establishing a Ketchum Events Policy; Guidelines for Ketchum Events Commission and Ketchum City Council" document provided as a tool for event producers, KEC members and City Council members; this document establishes the process by which events producers

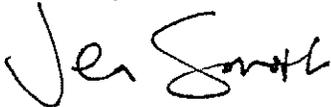
1. apply for and receive or are denied a Special Event Permit;
2. request and receive or are denied fee waivers, City insurance coverage or other pro bono City services
3. appeal any decision of the Events & Park Reservations Coordinator and/or Ketchum Events Commission

Further, I respectfully recommend that City Council provide guidance regarding updates to Chapter 12.32 Special Event Permits within the Ketchum City Code.

Suggested Motion

"I move to adopt the 'Establishing a Ketchum Events Policy; Guidelines for Ketchum Events Commission and Ketchum City Council' document as recommended by the Ketchum Events Commission."

Sincerely,



Jennifer L. Smith
Director of Parks & Recreation
Chair, Ketchum Events Commission

Parks & Recreation Department

Jennifer L. Smith, Director | jsmith@ketchumidaho.org
208.726.7820 | www.ketchumidaho.org

Ketchum Events Commission Policy



Guidelines for the
Ketchum Events Commission
and Ketchum City Council

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Introduction

The Ketchum Events Commission is a nine-member recommending commission of the City of Ketchum whose members are committed to furthering events in the City for the enjoyment and economic benefit of its citizens, businesses and visitors and whose stated mission is to develop, organize, and deliver events in the City of Ketchum which celebrate the spirit, character, history and heroes of the City of Ketchum. Commission members are appointed by the Mayor.

Mission Statement: *The mission of the Ketchum Events Commission is to facilitate organization and communication of the development and delivery of events in the City of Ketchum.*

The further mission of this Commission is:

- To support and conduct entertainment and events which celebrate the spirit, character, history, and heroes of the City of Ketchum.
- Develop programs and events within the City that will support the City and its businesses.
- Provide events that bring Ketchum and the surrounding communities together.

This guideline aims to provide a framework and the necessary tools to assist the Ketchum Events Commission, Ketchum City Council and event producers with management policies that are responsive to the character and needs of the City of Ketchum, its residents, visitors and business owners. The guidelines provide these various stakeholder groups with critical information regarding key issues surrounding the successful implementation of events.

Definition of an Event

For the purposes of this guideline an event can be considered any organized activity that takes place wholly or partly on public land (including parks, roads, and multimodal pathways) that the public may participate in or are invited to either free of charge or by ticketed entrance. Additionally, an event can be considered any organized activity that takes place on private land that the public may participate in or are invited to either free of charge or by ticketed entrance whose participation will likely affect public lands (as indicated above) or City services (e.g. police, fire, streets, parks). An example of the latter is the Sun Valley Wine Auction held at the Warm Springs Ranch Resort property.

Events range from small functions to large multi-organizational experiences involving thousands of people and requiring complex management. Examples of

established and more complex events that attract national interest include Ride Sun Valley, Sun Valley Arts & Crafts Festival, Wagon Days, and Trailing of the Sheep. Events such as these are a catalyst for economic development, make a major contribution to positioning the local community as a tourist destination, and boost the awareness of the local community as a center of sport, arts, culture or industry.

Irrespective of size, events will require:

- Planning, organization and publicity
- Risk assessment and risk management plans
- Approval from the Events Coordinator, Ketchum Events Commission and/or Ketchum City Council and, in some case, a range of other government bodies
- Access to resources that the City manages
- Community support and participation
- Clear public communication
- Consideration of access and equity issues
- Transparency, equity, and probity in the allocation of support and resources.

The KEC's role in Event Management: Key Components of an Effective Events Management Policy

Well managed events are an important part of the development of vibrant sustainable local communities, contributing to the community's social fabric and its local economy. Increasingly, successful events have become an important strategy underpinning local economic development. It has also become increasingly clear that poorly managed events can result in significant environmental and personal harm.

The KEC has an important role in identifying opportunities, providing guidance and support for event producers, identifying potential and necessary resources, and ensuring that events are conducted in a way that is safe and environmentally sustainable.

This guideline articulates an events management policy that identifies the support that the KEC has committed to local events and the requirements that the KEC expects event producers/organizers to meet when seeking approval.

Community Leadership and Support

Initiation, facilitation and support for special events can contribute to the City of Ketchum achieving its long term social, environmental, economic and civic leadership strategic objectives. Further, events provide an opportunity for City elected and appointed officials, and staff to actively engage with community groups and the diverse communities that make up the local area.

Local events provide the opportunity to:

- Encourage tourism
- Showcase local attractions
- Promote local business skills and initiatives
- Generate revenue for local business through event leveraging
- Promote local arts and culture through festivals, concerts or exhibitions
- Acknowledge and promote local heritage and culture events
- Promote the contributions of local culturally and linguistically diverse communities
- Provide an opportunity for government service providers, non-governmental organizations, and nonprofit agencies to publicize services and obtain feedback
- Encourage marginalized groups to participate in community development
- Draw people together fostering social, economic and service networks
- Promote civic pride and involvement

When integrating the KEC's objectives in developing community strategic plans the KEC should consider how its support for events assists in achieving the community's long term strategic objectives. In this context, the KEC should consider the types of events that it and the City will:

- **LEAD** (e.g. Nightmare on Main Street, Ketchum Wide Open, City Tree Lighting)
- **SUPPORT** (e.g. community festivals like Wagon Days)
- **APPROVE** (e.g. sporting events, concerts)

In making these decisions there is a multiplicity of factors that the KEC should consider including:

- The demographic composition of its community
- The cultural composition of its community
- Gaps in community support networks
- The priorities of local communities as expressed through community consultation (e.g. the Comprehensive Plan)

- Promotion of local businesses and attractions
- The need to manage risk associated with particular types of events
- Available City and community resources
- Event management expertise that is available within the local area
- Access and equity
- Transparency and probity in the allocation of support and resources

Resource Management

The KEC will have resources at its disposal as indicated by the Parks & Recreation Department's annual budget and as directed by the Events & Park Reservations Coordinator in conjunction with other City departments and private resource providers (i.e. Clear Creek Disposal). These available resources can assist with the planning, management, and control of community events and may include:

- Venues and public spaces
- Services and utilities (e.g. mobile stages, security personnel, seating, tables, road barriers, safety fences, waste bins and portable toilets)
- Promotional opportunities through the City's website and other communication mechanisms
- Specialist expertise (e.g. event planners and private sound system providers)
- Personnel to assist in the planning and control of events (e.g. parks, police, fire, streets, utilities and planning staff as directed by appropriate chains of command)

An effective KEC events management policy will provide the community and event organizers with relevant information about the resources the KEC is able to make available, how they can be accessed, applicable fees and conditions of use.

Events Coordination

A range of City departments share responsibility for events management and administer related conditional approvals. Some departments have specific responsibilities for assisting with event planning including streets, police, fire, clerks and planning departments.

The importance of these responsibilities, and the need for cross-department coordination, is to appropriately staff and coordinate street closures along with pre-site inspections and associated food and beverage permits. Post-event de-brief sessions may also be required of City personnel.

- Understanding of ordinances and other government legislative requirements
- Assistance for “novice” event organizers, including strategic mentoring and practical advice and assistance
- Agency coordination
- Resource access facilitation
- Opportunity to review and learn from events that have experienced challenges

Event timing is a critical component of event planning and coordination. Poorly timed events may place unacceptable stresses on local communities and hinder the ability of City departments to adequately support and resource events.

Provided within this guideline is a Model Events Management Timeline that the KEC can adapt for inclusion in its policy. The timeline provides suggestions as to when relevant agencies should be involved.

Event approvals will require event organizers to complete a Special Event application form.

Other Issues to be Covered in an Event Management Policy

The KEC should also ensure that its events management policy covers the following issues.

KEC Approval Process

The KEC's policy should provide guidance about the key issues City Council will take into account when considering and application. Provided within this guideline is a checklist of issues to be considered.

The KEC's policy should clearly state when an event application should be submitted and the minimum time the KEC will need to approve an application.

The policy should also outline the KEC's options for placing conditions on approvals to hold events. When the KEC approves an event, it can issue a Schedule of Conditions of Approval document to the event organizer. This outlines the conditions under which the event may proceed.

The KEC's approval process policy recommendation is as follows:

- An event organizer contacts the City's Events and Park Reservations Coordinator to inquire about venue availability and event viability.
- The event organizer submits a Special Event application along with associated fees and proof of liability insurance. Events are not finalized until all necessary approvals from City departments are received, fees are

received, proof of liability insurance is provided, or fee waivers and extension of City liability insurance is requested and approved (see approval process below).

- If the Events Coordinator or any City department sees issues in an application that require further or extensive review (e.g. variance to the City's Noise Ordinance), or if the event organizer wishes to request fee waivers or City liability insurance coverage, the event organizer must petition the KEC to address issues or request waivers.
- Fee waivers and City liability insurance coverage may only be awarded by the KEC if such an award is covered in the events budget and is approved by the Director of Parks & Recreation whose annual budget includes events expenditures. The KEC may recommend that the event organizer present its case to the Ketchum City Council if the Director of Parks & Recreation determines that funds are not available within the department's budget or are more appropriate for coverage under the City's General Fund.
- Any event may be denied by the Events Coordinator. In this case, the appeals process may be initiated by the event organizer as outlined in Chapter 12.32 of the Ketchum City Code.

Use of Parks, Venues, Facilities, and other Resources

The policy should articulate the availability and conditions of use for City venues, facilities and other resources which are available for the use of event organizers.

In making venues and facilities available the KEC needs to be aware of the potential risks and incorporate risk management strategies into its policy. In particular, the KEC should consider the risks associated with the hiring of venues for private functions, especially where crowd control and alcohol consumption may be an issue.

It is recommended that the KEC's policy outline:

- *Fees and charges* – connected with the hiring of City equipment and personnel and the use of public parks and venues. The policy should also outline circumstances in which the KEC is prepared to waive or reduce such fees. The KEC may also consider a fee schedule which takes into account residency and nonprofit status or a sliding scale of fees dependent on event size, potential economic impact and time of year.
- *Conditions of Use* – including hours of operation, crowd size, service of alcohol, adult supervision where children are participating and a requirement to notify police of a function to allow police patrols to be appropriately structured.

- *Costs of Damage* – any requirements for pre and post-event site inspections in order to assess any damage that has occurred as a result of the event

Event Scheduling

Scheduling is critical to the success of any event. Issues to be considered include:

- Weather and other seasonal factors
- Avoiding unnecessary disruptions
- Avoiding similar events in the same area being held at the same time
- Impact of the event on surrounding infrastructure (e.g. avoiding road closures at critical periods or not in coordination with scheduled road work)
- Availability of required resources
- Integration of complementary activities

Community Impact

Well managed events have positive impacts on communities. However, the potential negative impacts should be considered and managed. Such impacts include:

- Disruption to and impact on local businesses, particularly as a result of diversion of business
- Disruption to and impact on local communities or neighborhoods as a result of factors such as transportation disruption, noise, road closures, and environmental damage

Financial Viability

For an event to be successful all the costs associated with an event need to be identified and event organizers must be satisfied that there is sufficient income to meet these costs, and that contingency plans are in place to cover any shortfall in income. Such income can include grants, exhibitor fees, entry fees or other income generated as part of the event.

Community Communication Strategy

As distinct from an event promotional strategy, the requirement for a community communication strategy is also critical to the success of an event. Communities that have reliable and timely information about what is planned, and its value, are

able to make the necessary adjustments to local routines and activities.

An effective community communication strategy will encourage local participation and assist with event promotion. Similarly, local businesses will also have time to plan for impacts and adjust business plans to capitalize on the benefits gained. Timely communication allows issues to be identified and addressed.

Liability Insurance

The policy should outline the requirement for event organizers to assume all risks associated with the event and to demonstrate adequate insurance to cover public and other liabilities. The KEC should obtain professional advice when necessary concerning minimum insurance coverage. Insurance coverage minimums are outlined in the Special Event application and City liability insurance extension requests must follow protocol as outlined in this policy.

Signage

The KEC's requirements for signage relating to proposed events, both within the event site and its surrounding area should be identified in the policy and in accordance to existing City Code.

Skills and Expertise of Event Organizers

The KEC should state its position on the need for event organizers to have the necessary skills and expertise to stage an event, in accordance with the scale of the event planned.

Sponsorship

Many events depend on significant sponsorship for their success and events can be effective ways for sponsors to promote their message. Event organizers are encouraged to seek nonprofit sponsorship or indicate that the event will benefit a local nonprofit organization.

Event Management Checklist

The aim of this checklist is to outline key issues that should be covered in the KEC's events management policy. This checklist will also assist the development of the Special Event application.

Types of Events

- The types of events for which an application is required
- Specific requirements for particular types of events and locations
- Other requirements that Council may have

KEC or City Support and Sponsorship

- KEC or City support for local events through grants, subsidies and in kind services (including the provision of equipment and other resources)
- Venues, public spaces and equipment available to event organizers.

Specific information should be provided about:

- Fees
 - Conditions of use
 - Booking arrangements
 - User qualifications
- Arrangements for access to services such as electricity, water, toilet and waste services: Specific information should be provided about applicable charges and restrictions that may be imposed
- Event promotional opportunities through the City's website and other avenues
- Access to City Event Coordinator support
- Access to other relevant City personnel
- Other specific support that The City may provide

EVENT SCOPE AND PLANNING

- Event organizer experience, skills and/or training
- Strategic scheduling (avoiding conflicts)
- Purpose and scope of the event

- Consultation with stakeholders, including
 - Police
 - Fire services
 - Ambulance
 - Street Department and ITD
 - Other organizations that the Commission considers relevant
- An event plan
- A site plan
- Promotions
- Public relations
- Signage
- Volunteer management
- Communication strategies
- Contingency planning
- Merchandising, including any restrictions on
 - The number of outlets
 - The types of merchandise able to be sold

SITE OVERLAY AND IMPACTS

- The type, size and purpose of temporary structures, equipment and facilities organizers may want to bring on site. These include such things as stages, screens, awnings, marquees, fences, scaffold towers for sound and lighting
- Site restrictions including alcohol free zones and alcohol prohibited areas
- Crowd control, including fencing
- Waste management
- Lighting
- Availability and access to electricity, including types and sizes of any Generators that may be used
- Availability of toilet facilities sufficient for expected patron numbers
- Availability and access to water for drinking and other purposes
- Amplified sound, including:
 - The need for amplification
 - Restrictions on sound equipment that can be used (types, sizes, number of speakers and decibel levels etc)
 - Restriction on times it can be used for sound testing/checks, rehearsals and the event
 - Requirements for sound spill minimization from the site
- Site protection, including:
 - Tree and grass protection
 - Heritage concerns
 - Pre- and post-event inspections
 - "Make-good" requirements for damages incurred

FOOD and BEVERAGES

- Sale or other supply of food and non-alcoholic beverages
- Sale or other supply of alcohol
- Any restrictions on food or beverage containers e.g. glass, environmentally friendly packaging
- Use of commercial caterers
- Availability of unrestricted drinking water

TRANSPORT and ACCESS MANAGEMENT

Traffic management plan, including:

- Road closures
- Use of public transport where available, including provision of shuttle buses to and from transport hubs
- Car parking
- Signage
- Organizer/exhibitor access
- Police/traffic control

RISK, SECURITY and EMERGENCY MANAGEMENT

- Risk management planning
- Emergency management planning
- Provision of first aid facilities
- Provision of designated quiet area
- Insurance/Public Liability Insurance
- Other requirements

The Special Event application form should seek the following information:

- Name of event
- Name and contact details of event organizer
- Skills and expertise of event organizer
- Location(s) of the event
- Description of event
- Characteristics of participants/spectators/audience expected (i.e. number, age range)
- Bump in (pre-event set up) date and number and scope of participants and whether they are paid or volunteer
- Event dates – start/finish times
- Bump out (post-event clean up and site make-good, dates and times, scope of participants and whether they are paid or volunteer)

Model Event Management Timeline

The following is a guide for large sized events. Small events may need a shorter time scale.

SIX MONTHS TO A YEAR AHEAD

- Determine the purpose, format, and feasibility of the event
- Select the date, but before confirming it, clear the date with important participants and double-check for conflicts with other major functions
- Check availability of venues and Council requirements
- Determine potential security requirements
- Determine insurance coverage requirements
- Complete risk assessment
- Draft event program
- Plan promotion and publicity
- Create an estimated budget
- Seek sponsorship and/or other funding
- Determine human resources required

THREE TO SIX MONTHS AHEAD

- Finalize event program
- Finalize budget/sponsorship/funding
- Submit required applications to Commission and other authorities e.g. Police, Streets and ITD, Ambulance, Fire and Rescue (no less than 4 months prior to the event)
- Finalize security requirements
- Launch promotional activities
- Finalize arrangements with event participants
- Determine waste management and toilet requirements and make preliminary arrangements
- Arrange hire of required equipment
- Finalize risk and emergency management plans

TWO TO THREE MONTHS AHEAD

- Confirm all Council and other approvals have been obtained o Address any conditions placed on such approvals
- Finalize event plan
- Step up promotional activity
- Determine who will be responsible for tasks in the lead up to, during and after the event
- Confirm availability of key event personnel
- Review risk and emergency management plans

TWO TO FOUR WEEKS AHEAD

- Review event plan and confirm currency
- Check responses to promotional activities
- Finalize set up arrangements
- Confirm risk and emergency management plans can be implemented if necessary
- Finalize role of key event personnel

THE DAY BEFORE

- Set up event venue
- Double check event program
- Review risk and emergency management plans

THE BIG DAY

- Arrive early
- Check all facilities and grounds
- Complete site induction for event staff/volunteers, including safety and evacuation procedures
- Ensure event staff/volunteers have appropriate equipment and food/water
- Conduct sound and equipment checks
- Double check safety arrangements
- Implement event program
- Monitor and respond to unexpected issues
- Implement event closure and clean-up procedures

AFTER THE EVENT

- Conduct post-event site inspection and ensure site "make good" requirements have been met (e.g. waste removal and surface repair)
- Send thank you notes to staff, volunteers and participants
- Finalize accounts and prepare final income and expenditure report
- Conduct event debriefing to determine success or ways to improve in the future

Notes:

CHAPTER 12.32

SPECIAL EVENT PERMITS

SECTION:

- 12.32.010: Definitions
- 12.32.020: Special Event License Required
- 12.32.030: Limitation Of Licenses
- 12.32.040: Application Procedure
- 12.32.050: Standards For Issuance
- 12.32.060: Posting Of Security
- 12.32.070: Insurance Requirements
- 12.32.080: Indemnity
- 12.32.090: Exemptions
- 12.32.100: Applicable Law
- 12.32.110: Appeals
- 12.32.120: Penalties
- 12.32.130: Festival Area

12.32.010: **DEFINITIONS:** For the purpose of this chapter, the following terms shall have the meanings prescribed in this section:

- APPLICANT:** The person, or group of people, who is or are the organizer(s) and with whom the responsibility for conduct of the special event lies. The applicant signs the special event license application and all other documents relevant to the special event.
- CITY:** The city of Ketchum, Idaho.
- CITY ATTORNEY:** The duly appointed city attorney of the city of Ketchum, Idaho.
- CITY COUNCIL:** The duly elected city council of the city of Ketchum, Idaho.

ENGAGING IN OR CONDUCTING BUSINESS:	The selling, soliciting, advertising or offering for sale of any service or item of personal property or real property or any interest in such property.
FEES:	Charges assessed by the city for licensing, staffing, equipment use/rental, property use/rental, cleanup, and inspections involving the use of public property, public employees or public equipment assessed to a special event and established within the special event licensing process.
FESTIVAL AREA:	An area designated within the city of Ketchum for a higher frequency of special events, and, is subject to the rules and regulations set forth specifically in section 12.32.130, "Festival Area", of this chapter.
LICENSEE:	The applicant becomes the "licensee" when the special event license has been approved and signed by the special event coordinator, and the fee, security, insurance and indemnity requirements have been fulfilled. As the license holder, the licensee becomes the sole proprietor of the special event and inherits the responsibilities connected with all licenses, fee assessments, copyrights, insurance and liabilities connected with the licensed special event.
PERSON:	Every natural person, firm, partnership, association, corporation or any other business entity.
PLANNING AND ZONING COMMISSION:	The duly appointed planning and zoning commission of the city of Ketchum, Idaho.
PLANNING DEPARTMENT:	The planning department of the city of Ketchum, Idaho.
PUBLIC EVENT:	Any special event held on public property in which the general public is invited, with or without charge, and which creates significant public impact through: a) the attraction of large

crowds; b) the necessity for street closures or use of other public property; c) the required use of city equipment and/or services; or d) the necessity for temporary business licensing.

PUBLIC HOLIDAY: Any state or national holiday or any locally declared day of celebration, including, but not limited to, Wagon Days and New Year's Eve, during which a special event may be held.

PUBLIC PROPERTY: Any sidewalk, street, alley, highway, public right of way, park, parking lot or other place owned in fee or leased by the city, or in, on or over which an easement exists in the name of or held by the city, or which exists for the benefit and use of the public.

SPECIAL EVENT: The temporary use of public property, including streets, parking lots, parks and waterways, for the purpose of conducting certain public events such as, but not limited to, art shows, music concerts, fundraising events, amusement attractions, circuses, carnivals, rodeos, craft fairs, sporting events, contests, dances, tournaments, walkathons, marathons, races, exhibitions or related activities. In addition, a "special event" is any public event which could reasonably be interpreted to cause significant public impact via disturbance, crowd, traffic/parking or disruption of the normal routine of the community or affected neighborhood.

SPECIAL EVENTS COORDINATOR: The community and economic development director of the city of Ketchum, Idaho, or his or her designee.

STREET CLOSURE: The deliberate blockage of all, or a portion of, a public street, a right of way or a city owned parking facility to prohibit the flow of traffic or access of vehicles. Any nonconstruction street closure, regardless of duration, requires a special event license.

VENUE: The location or locations upon which a special event is held, as well as the ingress and egress route.

WEEKLY EVENT: Any event that takes place once per week for two (2) or more consecutive weeks. (Ord. 1046 § 1, 2008; Ord. 669 § 1, 1995)

12.32.020: SPECIAL EVENT LICENSE REQUIRED: Unless exempted by state or federal law, it is unlawful for any person to conduct a special event, with or without charge for admission, on public property without first applying for and being granted a special event license for the specific special event and its venue. All licenses issued pursuant to this chapter are nontransferable and expire at the completion of the given special event. All special events located within the city of Ketchum designated "festival areas" are subject only to the specific rules and regulations outlined in sections 12.32.130 and 12.32.010, "Definitions", of this chapter. (Ord. 1046 § 1, 2008)

12.32.030: LIMITATION OF LICENSES: A special event shall be limited to no more than four (4) consecutive days in duration. No more than eight (8) special event licenses which involve engaging in or conducting business shall be issued to any one applicant during a single calendar year. (Ord. 669 § 3, 1995)

12.32.040: APPLICATION PROCEDURE: An application for special event license shall be made in writing to the special events coordinator on forms provided by the community and economic development department.

- A. **Filing Period:** Application materials must be completed and submitted to the special events coordinator not less than thirty (30) days prior to the scheduled first day of the special event, unless the coordinator makes written findings, based upon the showing of a good cause by the applicant, that the application material may be submitted no later than eight (8) days prior to the scheduled first day of the special event. Incomplete applications will be returned to the applicant and noted accordingly.
- B. **Notice:** Written notice of the application shall be mailed to those property owners adjoining the proposed venue of the special event

within five (5) days of receipt of the special event application. The notice shall state the date, time, venue and purpose of the special event, and that such adjoining property owners have seven (7) days in which to submit comments regarding the proposed special event to the special events coordinator.

- C. Decision: The application materials and any comments received from the adjoining property owners will be reviewed by the special events coordinator in light of the standards provided in section 12.32.050 of this chapter. The special events coordinator will mail the applicant the special events coordinator's comments and decision (i.e., approval, approval with changes, or cause[s] for denial) within twenty (20) business days from date of complete application submission.
- D. License Issuance: An applicant shall be issued a special event license for the given special event upon the approval and signature of the special events coordinator, and upon the fulfillment of the fee, security, insurance and indemnity requirements.
- E. Fees: Except as provided in subsection E1 of this section, all fees due the city as a result of a special event must be paid in full no later than five (5) days prior to the first day of the special event.

1. Application Fee: There shall be paid at the time of filing the special event license application a fee of twenty five dollars (\$25.00) for processing of the application.

2. Notice Fee: The applicant shall be responsible for a fee equal to the expense of giving notice as required by subsection B of this section.

3. City Equipment/Services Fee: If the applicant requests city equipment and/or services in conjunction with the special event or if city equipment and/or services are deemed necessary by the special events coordinator to protect the public's health, safety and welfare during the special event, the applicant shall be responsible for a fee equal to the expense of such city equipment and/or services. The special events coordinator shall provide the applicant with an estimate of equipment/service fees based on city salaries and equipment rental charges.

4. Waiver Of Fees: The special events coordinator may waive all or a portion of the fees disclosed in this subsection in the case of a nonprofit organization or other governmental agency applicant, when the special events coordinator determines it is in the city's interest to

waive such fees. (Ord. 1046 § 1, 2008; Ord. 777 § 1, 1999; Ord. 669 § 4, 1995)

12.32.050: **STANDARDS FOR ISSUANCE:** The special events coordinator shall issue a license as provided for under this chapter when, from consideration of the application, comments received from adjoining property owners and from such other information as may otherwise be deemed necessary, he or she finds that:

- A. The conduct of the special event will not substantially interrupt the safe and orderly movement of traffic contiguous to its venue;
- B. The conduct of the special event will not require the diversion of so great a number of police officers of the city to properly police the venue and the contiguous area as to prevent normal police protection to the city;
- C. The conduct of the special event will not require the diversion of so great a number of ambulances as to prevent normal ambulance service to portions of the city other than that to be occupied by the proposed special event and the contiguous areas;
- D. The concentration of persons and vehicles at assembly points of the special event will not unduly interfere with proper fire and police protection of, or ambulance service to, areas contiguous to such assembly areas;
- E. The conduct of the special event will not interfere with the movement of firefighting equipment en route to a fire;
- F. The conduct of the special event is not reasonably likely to cause injury to persons or property, to provoke disorderly conduct or create a disturbance; and
- G. The special event is not for an unlawful purpose. (Ord. 669 § 5, 1995)

12.32.060: **POSTING OF SECURITY:** Prior to the issuance of a special event license, the applicant shall submit to the community and economic development department an amount not to exceed one thousand dollars (\$1,000.00) in the form of cash, certificate of deposit, letter of credit or comparable security instrument from a sound financial institution, as a guarantee against nonpayment of city sales tax, damages, cleanup or loss

of public property. Such security may be waived by the special events coordinator upon demonstration by the applicant that adequate steps are provided for protection of public property, payment of city sales tax and venue cleanup. Any cash amount received by the city shall be placed in an interest bearing account, whereupon, conditioned upon faithful performance of the requirements of this chapter, the principal and interest shall be delivered to the licensee upon the termination of the special event and cleanup of the venue or the fulfillment of city sales tax obligations as a result of the special event, if applicable, whichever occurs later. (Ord. 1046 § 1, 2008)

12.32.070: **INSURANCE REQUIREMENTS:** Every applicant, at its sole cost and expense, shall obtain and maintain in full force and effect throughout the entire term of the licensed special event, public liability insurance in the amount of one million dollars (\$1,000,000.00) per person and one million dollars (\$1,000,000.00) per accident. In addition, every applicant, at its sole cost and expense, shall obtain and maintain public liability insurance for property damage in the amount of one million dollars (\$1,000,000.00). Certificates of such insurance shall be filed concurrently with the application for the special event. Such certificates shall be subject to the approval of the city attorney and shall contain an endorsement stating that the city of Ketchum is named as an additional insured and that such insurance will not be canceled or altered by the insurance company or applicant without ten (10) days' prior written notice of such intended alteration or cancellation to the city. Current certificates of such insurance shall be kept on file at all times during the term of the special event. (Ord. 669 § 7, 1995)

12.32.080: **INDEMNITY:** The applicant shall indemnify, defend and hold harmless the city, its officers, agents and employees from any and all demands, claims or liability of any nature caused by or arising out of or connected with the licensed special event. (Ord. 669 § 8, 1995)

12.32.090: **EXEMPTIONS:** When the city is the applicant for a special event, the city shall be exempt from the requirements of subsection 12.32.040E and sections 12.32.060, 12.32.070 and 12.32.080 of this chapter. (Ord. 669 § 9, 1995)

12.32.100: **APPLICABLE LAW:** The special event license is subject to other applicable city, state, federal or other governmental licenses, tax regulations or laws. (Ord. 669 § 10, 1995)

12.32.110: **APPEALS:**

- A. **Appeals From Special Events Coordinator:** An appeal from any decision of the special events coordinator made in the administration or enforcement of this chapter may be made to the planning and zoning commission by filing a notice of appeal in writing with the planning department. Upon hearing the appeal, the planning and zoning commission shall consider the record, the decision of the special events coordinator and the notice of appeal, together with oral presentation by the appellant, the special events coordinator and the applicant. The planning and zoning commission may affirm, reverse or modify, in whole or in part, the decision of the special events coordinator. The planning department shall transmit a copy of the planning and zoning commission's decision to the appellant, the applicant and any person who has requested a copy in writing.
- B. **Appeals From Planning And Zoning Commission:** An appeal from any decision of the planning and zoning commission made in the administration or enforcement of this chapter may be made to the city council by filing a notice of appeal in writing with the planning department. Upon hearing the appeal, the council shall consider matters which were previously considered by the planning and zoning commission as evidenced by the record, the decision of the planning and zoning commission and the notice of appeal, together with oral presentation by the appellant, the special events coordinator and the applicant. The city council may affirm, reverse or modify, in whole or in part, the decision of the planning and zoning commission. The planning department shall transmit a copy of the council's decision to the appellant, the applicant and any person who has requested a copy in writing.
- C. **Time For Filing Appeals:** The written notice of appeal shall be filed before five o'clock (5:00) P.M. of the fifth calendar day after the decision of the special events coordinator, or planning and zoning commission, as applicable, has been rendered. The failure to physically file a notice of appeal with the planning department within the time limits prescribed by this section shall be jurisdictional and shall cause automatic dismissal of such appeal.

- D. Fee For Appeals: A fee in the amount of seventy five dollars (\$75.00) shall be paid upon filing the appeal. In the event the fee is not paid as required, the appeal shall not be considered filed.
- E. Notice Of Appeal; Form And Contents: The notice of appeal shall be in writing and in such form as shall be available from the planning department, which shall require to be set forth with specificity all bases for appeal, including the particulars regarding any claimed error or abuse of discretion. (Ord. 669 § 11, 1995)

12.32.120: **PENALTIES:**

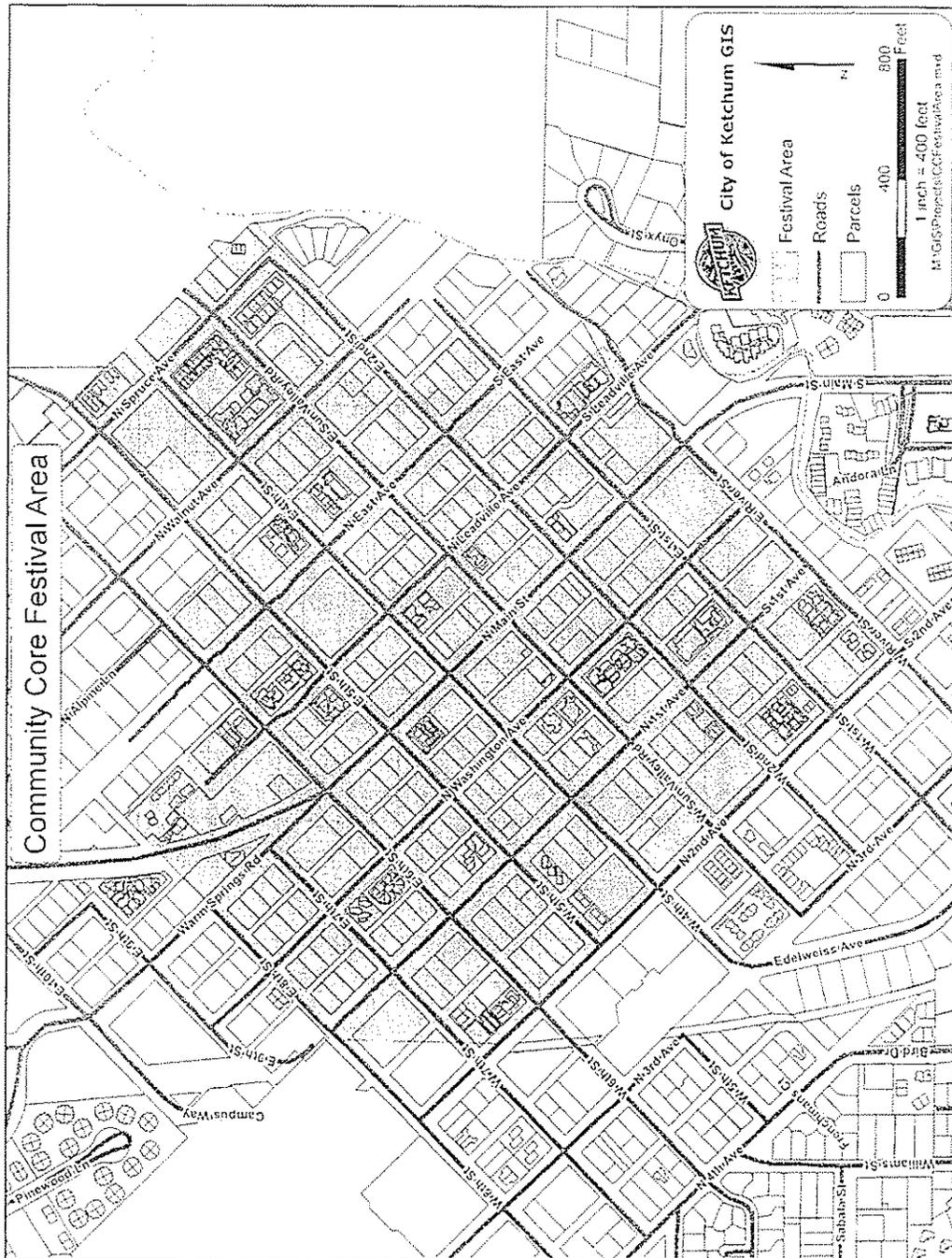
- A. Misdemeanor: Any person who shall violate any provision of this chapter shall be guilty of a misdemeanor and, upon conviction, subject to a fine of not more than three hundred dollars (\$300.00) or imprisonment for a period not to exceed six (6) months, or both such fine and imprisonment. Each day a violation continues shall be considered a separate offense, punishable as described in this subsection.
- B. Civil Enforcement: Appropriate actions and proceedings may be taken at law or in equity to prevent any violation of the provisions stated in this chapter to prevent any violation of these regulations, to recover damages, to restrain, correct or abate a violation and to prevent illegal occupancy of public property. These remedies shall be in addition to the penalties described in subsection A of this section. (Ord. 669 § 12, 1995)

12.32.130: **FESTIVAL AREA:** All special events located within the festival area of the city of Ketchum are subject only to the rules and regulations of this section, sections 12.32.010, "Definitions", and 12.32.020, "Special Event License Required", of this chapter. Any event not located entirely within a designated festival area shall be subject to the rules and regulations of sections 12.32.010 through 12.32.120 of this chapter and not subject to the rules and regulations of this section.

- A. Purpose: The festival area provides a flexible and more public friendly special event process for areas of the city that experience a high frequency of special events. This section will require increased public notice for larger events and streamline the permitting process for smaller events.

- B. Boundaries Of The Festival Area: The boundaries of the festival area reflect areas of the city that experience a high frequency of special events and areas that the city has determined to be appropriate for public events. The following are maps outlining the boundaries of the festival areas within the city of Ketchum.





- C. Event Categories: Special events in the festival area shall be evaluated based on the category in which they are designated. The following three (3) categories are the basis for which all special events in the festival area will be evaluated:
1. Category A: Special events that do not require a street closure and have an anticipated attendance under three hundred (300) people.
 2. Category B: Special events that require a street closure of one day or less; or have an anticipated attendance of three hundred (300) or more people; or a weekly event that takes place up to, but not more than, four (4) consecutive weeks.
 3. Category C: Special events requiring a street closure of more than one day; or a weekly event that takes place more than four (4) consecutive weeks.
- D. Limitations Of Licenses:
1. The following limitations apply to all special events within the designated festival areas:
 - a. A special event in the festival area shall be limited to no more than ten (10) consecutive days in duration.
 - b. A formal city council approval is required for events lasting more than four (4) consecutive days. The city council shall use the evaluation standards listed under subsection F of this section in their review of such an event.
 - c. No more than ten (10) special event licenses shall be issued to any one applicant during a single calendar year.
 - d. For events lasting five (5) days or more, only two (2) licenses shall be issued to one applicant per calendar year.

e. Events that take place on consecutive weeks, or weekly events, are required to apply for one special event license. A weekly event shall be limited to one event per week, and limited to a total of twenty two (22) weeks out of the calendar year.

E. Application Procedure: An application for special event license shall be made in writing to the city staff on forms provided by the community and economic development department. Filing requirements are based on the category of the event.

1. Filing Period:

a. Category A: Application shall be filed a minimum of fourteen (14) days prior to the special event.

b. Category B: Application shall be filed forty five (45) days prior to the date of the special event.

c. Category C: Application shall be filed not less than sixty (60) days prior to the date of the special event.

d. In all circumstances incomplete applications will be returned to the applicant and noted accordingly.

2. Recurring Events:

a. "Recurring events within festival areas" shall be defined as events that have occurred during the previous two (2) years, during the same time period and at the same venue. In the case that a new special event application conflicts with the venue and time of a recurring event, the recurring event shall be given preference for use of that venue.

3. Notice: All noticing requirements will be based on the category of the event. Each category outlines the noticing procedure for that type of event.

a. Categories A and B: Event shall be placed on the official city of Ketchum special events calendar upon receipt of the special event application. Written notice of receipt of the application shall be e-mailed to those individuals that have voluntarily joined the city of Ketchum special event e-mail list. The notice shall state the proposed date, time and venue for the event. No further noticing is required.

b. Category C:

(1) Event shall be placed on the official city of Ketchum special events calendar upon receipt of special event application.

(2) Written notice of receipt of the application shall be e-mailed to those individuals who have voluntarily joined the city of Ketchum special event e-mail list. The notice shall state the approximate dates and proposed street closures for the event, and that notice recipients have fourteen (14) days in which to submit comments regarding the proposed special event to city staff.

(3) Additional written notice shall be e-mailed to those individuals that have voluntarily joined the city of Ketchum special event e-mail list ten (10) days prior to the special event. The notice shall state the specific dates, times and proposed street closures of the event.

c. The official city of Ketchum e-mail list shall be maintained and updated by city staff and shall be used only for the purposes of distributing information regarding city of Ketchum special events. This e-mail list shall be open to any and all groups or individuals interested.

d. The official city of Ketchum special events calendar shall be posted on the city of Ketchum website as well as each designated festival area location, to be posted in a visible spot for inspection by the public. The calendar shall be updated concurrently with the receipt and/or approval of special event applications. Events shall be labeled as either pending or approved/denied.

e. Changes to an approved special event may be made up to and during the event. Said changes shall include, and be limited to, the time, festivities and facilities so long as said change does not have the potential to cause significant negative impacts upon neighboring properties or businesses.

f. For all events, city staff may elect to provide additional noticing based on the size, location and scope of the event. Additional noticing may include, but is not limited to, newspaper advertisements and physical mailing to adjacent property owners or business owners.

4. Decision:

a. Category A: The application materials shall be reviewed by city staff in light of the standards provided in subsection F of this section. A decision (i.e., approval, approval with changes, or cause[s] for denial) shall be rendered a minimum of twelve (12) days after complete application submittal.

b. Category B: The application materials shall be reviewed by city staff in light of the standards provided in subsection F of this section. A decision (i.e., approval, approval with changes, or cause[s] for denial) shall be rendered a minimum of twenty eight (28) days (4 weeks) after complete application submittal.

c. Category C: The application materials shall be reviewed by city staff in light of the standards provided in subsection F of this section. A decision (i.e., approval, approval with changes, or cause[s] for denial) shall be rendered a minimum of thirty five (35) days (5 weeks) after complete application submittal.

d. For category A, B and C events, staff comments shall be forwarded to the applicant in a timely manner.

5. License Issuance: An applicant shall be issued a special event license for the given special event upon the approval and signature of city staff, and upon the fulfillment of the fee, security, insurance and indemnity requirements.

6. Fees: Except as provided in subsection E6d of this section, all fees due the city as a result of a special event must be paid in full no later than five (5) days prior to the first day of the special event.

a. Application Fee: All application fees for events within the designated festival areas shall be approved and adopted by resolution.

b. Notice Fee: The applicant shall be responsible for a fee equal to the expense of giving notice as required by subsection E3 of this section.

c. City Equipment/Services Fee: If the applicant requests city equipment and/or services in conjunction with the special event or if city equipment and/or services is deemed necessary by the special events coordinator to protect the public's health, safety and welfare during the special event, the applicant shall be responsible for a fee

equal to the expense of such city equipment and/or services. City staff shall provide the applicant with an estimate of equipment/service fees based on city salaries and equipment rental charges.

d. Waiver Of Fees: City staff may waive all or a portion of the fees disclosed in subsection E6a of this section in the case of a nonprofit organization or other governmental agency applicant, when city staff determines it is in the city's interest to waive such fees.

- F. Standards For Issuance: The special events coordinator shall issue a license as provided for under this section when, from consideration of the application, comments received from adjoining property owners and from such other information as may otherwise be deemed necessary, he or she finds that:
1. The conduct of the special event will not substantially interrupt the safe and orderly movement of traffic contiguous to its venue;
 2. The conduct of the special event will not require the diversion of so great a number of police officers of the city to properly police the venue and the contiguous area as to prevent normal police protection to the city;
 3. The conduct of the special event will not require the diversion of so great a number of ambulances as to prevent normal ambulance service to portions of the city other than that to be occupied by the proposed special event and the contiguous areas;
 4. The concentration of persons and vehicles at assembly points of the special event will not unduly interfere with proper fire and police protection of, or ambulance service to, areas contiguous to such assembly areas;
 5. The conduct of the special event will not interfere with the movement of firefighting equipment en route to a fire;
 6. The conduct of the special event is not reasonably likely to cause injury to persons or property, to provoke disorderly conduct or create a disturbance; and
 7. The special event is not for an unlawful purpose.
- G. Posting Of Security: Refer to section 12.32.060 of this chapter for all "posting of security" requirements.

- H. Insurance Requirements: Refer to section 12.32.070 of this chapter for all insurance requirements.
- I. Indemnity: Refer to section 12.32.080 of this chapter for all indemnity requirements.
- J. Exemptions: When the city is the applicant for a special event within a festival area, the city shall be exempt from all fee requirements and posting of security requirements as outlined in this section.
- K. Applicable Law: Refer to section 12.32.100 of this chapter regarding applicable law.
- L. Appeals:
 - 1. Appeals From Special Event Coordinator: An appeal from any decision of the special events coordinator made in the administration or enforcement of this section may be made to the Ketchum city administrator. All appeals shall be made only by an affected party. Upon reviewing the appeal, the Ketchum city administrator shall consider the record, the decision of the special events coordinator and the notice of appeal together with presentation by the appellant, the special events coordinator and the applicant. The city administrator may affirm, reverse or modify, in whole or in part, the decision of the special events coordinator. The community and economic development department shall transmit a copy of the city administrator's decision to the appellant, the applicant and any person who has requested a copy in writing.
 - 2. Deferral To Council: The city administrator shall have the sole discretion to defer review and decision on an appeal to the Ketchum city council.
 - 3. Time For Filing Appeals: Notice of appeal shall be filed before five o'clock (5:00) P.M. of the fifth calendar day after the decision of the special events coordinator has been rendered. The failure to physically file a notice of appeal with the community and economic development department within the time limits prescribed by this section shall be jurisdictional and shall cause automatic dismissal of such appeal.
 - 4. Fee For Appeals: A fee in the amount of seventy five dollars (\$75.00) shall be paid upon filing the appeal. In the event the fee is not paid as required, the appeal shall not be considered filed.

5. Notice Of Appeal; Form And Contents: The notice of appeal shall be in writing and in such form as shall be available from the community and economic development department, which shall require to be set forth with specificity all basis for appeal, including the particulars regarding any claimed error or abuse of discretion.

- M. Penalties: Refer to section 12.32.120 of this chapter regarding penalties.
- N. Waivers: Waivers to the requirements of subsections D, "Limitations Of Licenses", and E6, "Fees", of this section may be granted by the city council. Applicants shall apply for waivers in writing and state the reasons for said waiver request. Waivers shall be evaluated based on the standards of issuance listed in subsection F of this section. (Ord. 1046 § 1, 2008)

City of Ketchum, Idaho

P.O. Box 2315 Ketchum, ID 83340 (208) 726-3841 Fax: (208) 726-8234



December 3, 2012

Mayor Hall and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Hall and City Councilors:

2012 Annual Report: Ketchum Arts Commission

Introduction/History

The Ketchum Arts Commission (KAC), a recommending committee of the City, was formally placed as a Division under the Ketchum Parks & Recreation Department in October 2010 at the request of Mayor Randy Hall. Previously, the KAC existed as a "team" of the Ketchum Community Development Corporation. The KAC's recommendation to Mayor Hall to move under the auspices of the Parks & Recreation Department was mainly due to the logistical, functional, and financial support offered to the KAC by the Parks & Recreation Department for the past several years.

Current Report

A PowerPoint presentation will cover the following topics:

- Governance and Policy:
 - introduction of current and past commission members, staff liaisons, partnership with KCDC
 - Claudia McCain, Chair
 - Marybeth Flower, Vice Chair
 - Anne Winton, Recording Secretary
 - Adam Elias, Treasurer
 - Kathy "K.O." Ogilvie
 - Trina Peters
 - Kristin Poole
 - Gail Severn
 - Jen Smith, Juerg Stauffacher, and Tyia Wilson; Ketchum Parks & Recreation liaisons (non-voting)
 - Jon Duval; Ketchum Community Development Corporation liaison (non-voting)
 - Gretchen Wagner (resigned)
 - 1% For Art Ordinance, Memorials & Donations Resolution
 - Calls/Contracts For Artists

Parks & Recreation Department

Jennifer L. Smith, Director | jsmith@ketchumidaho.org
208.726.7820 | www.ketchumidaho.org

- Membership and affiliations: Wood River Arts Alliance and relationship with Idaho Commission on the Arts
- Bylaws and membership appointment
- Budget (currently integrated with KP&RD as described in Financial Requirement/Impact section below)
- Establishment of KAC Trust Fund which includes Kagan Park supplemental funds, Cover Art, general donations and capacity for additional restricted-fund projects
- Current and Completed Projects
 - Priscilla Panzer donation: Delos Van Earl (*Dutchman's Bend*, bronze 2006) at Lucy Loken Park
 - Gail & Jack Thornton donation: Michael Zapponi (*Untitled*, C. 2000) moved from Little Park to Rotary Park
 - Kagan Park: created in 2011 in memory of Rod Kagan
 - Art on 4th – temporary installations (2012 was 4th Annual); KTS pedestal construction for seasonal art and City holiday tree, spring 2012
 - Performance art – Anne Winton and K.O. Ogilvie – Poetry Dance Slam
 - Communication with Ketchum Events Commission – Anne Winton sits on KEC as ex officio
 - Cover Art – utility box vinyl wrap project
 - Taylor Figge – internship - identification of public art placement opportunities and inventory of permanent installations (including installations and maintenance specifics)
- Future Projects and Potentials
 - Continuance of Art on 4th
 - Ongoing strategic planning
 - Utilization of part time Parks & Recreation staff as liaison/administrative support for KAC initiatives and website/outreach work
 - Continuance of Cover Art project (subject to funding)
 - Invite Jack Mackie, a Seattle public works artist and consultant to advise KAC regarding public infrastructure art

Financial Requirement/Impact

No requirement/impact at this time. Annual budget expenses for KAC initiatives come from several line items within the Parks & Recreation budget including:

- Office supplies and postage (artist calls, etc.);
- Professional services (artist stipends/payments, etc.);
- Advertising and publications (event posters, brochures, etc.);
- Dues, subscriptions, memberships (WRAA membership, etc.);
- Maintenance (supplies for regular maintenance of City's permanent collection and temporary installations, etc.);

Parks & Recreation Department

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- Personal services (salary portions of Director, Park Superintendent, Grounds Supervisor, Events & Park Reservations Coordinator, and seasonal/part time staff contribute to KAC functions)

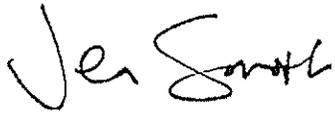
Recommendation

No recommendation at this time.

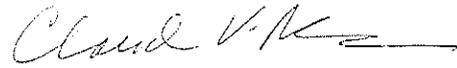
Suggested Motion

No suggested motion at this time.

Sincerely,



Jennifer L. Smith
Director of Parks & Recreation



Claudia McCain
Ketchum Arts Commission Chair

Parks & Recreation Department

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