

AGENDA ITEM SUMMARY

DATE: July 25, 2011

DEPARTMENT: Community Development

DEPT HEAD: 

SUBJECT: Quigley Canyon Annexation Agreement – report of negotiations with applicant and changes to the proposal by the applicant.

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

On August 31, 2009 the Council directed staff to work with the applicant on a draft annexation agreement to bring forward to the Council for consideration. Thereafter, the City Administrator, Engineer and Attorney have had several meetings with the developer and the following additional information has been gathered:

- The applicant has submitted a new plan for the property. A copy of the plans are attached.
- The applicant has obtained a decree from the SRBA Court showing that the primary surface water right (Right No. 37-19736) has a priority date of April 15, 1880, making it one of the earliest water rights in Blaine County. This water right has a diversion rate of 2.36 cfs and is appurtenant to 276.5 acres.

Over the course of the negotiations the applicant has proposed the following changes to the application:

- No Development above the pond.
- A golf course is no longer planned, but the open space is configured to allow for future golf course.
- Quigley to deed all water rights to City – including 1880 Quigley surface rights available for use in city system for mitigation.
- Open space to be utilized for sustainable agriculture
- Nordic Skiing operation continued on property
- 444 lots ranging from 40x100 to +4 acres. The applicant originally proposed 379 lots.
- Development to be phased in small sections to grow as Hailey grows.
- Infrastructure to be phased to ensure adequate services ahead of development.
- City portion of infrastructure costs to be paid through CID/LID financing from Quigley property alone. No city funds expended.
- Site for BCSD Elementary school adjacent to High School
- The applicant is proposing that the lots in Blocks G and H be served by individual septic systems.

The applicant has drafted the attached Annexation and Development Agreement and the exhibits received April 28, 2011. After discussions with the City Administrator, Engineer, Community Development Director and Attorney, minor revisions have been made to this document (those minor revisions are not attached). Before proceeding with further discussion on the agreement, staff requests direction from the Mayor and City Council on whether the City is interested in pursuing the revised proposal from the applicant.

In light of the proposed revisions, staff expects the council to raise the question of whether the application should be remanded to the Planning and Zoning Commission for their evaluation. Based on the circumstances and our annexation ordinance, staff does not believe it is necessary to remand the proceedings to Planning and Zoning Commission. The Commission's main concern regarding land use was the development above the pond and in Deadman Gulch, which has been eliminated from the revised proposal.

The applicant has submitted the following documents since August 31, 2009 (these documents are also attached):

- Correspondence with the school district (letters dated April 11 and May 2, 2011)
- Revised proposal dated 10-12-2010; this has since been further revised as reflected in the attached Annexation and Development Agreement and the exhibits

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Case # _____
 Budget Line Item # _____ YTD Line Item Balance \$ _____
 Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
 Staff Contact: _____ Phone # _____
 Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

<input checked="" type="checkbox"/> City Administrator	<input type="checkbox"/> Library	<input type="checkbox"/> Safety Committee
<input checked="" type="checkbox"/> City Attorney	<input type="checkbox"/> Mayor	<input type="checkbox"/> Streets
<input type="checkbox"/> City Clerk	<input checked="" type="checkbox"/> Planning	<input type="checkbox"/> Treasurer
<input type="checkbox"/> Building	<input type="checkbox"/> Police	_____
<input checked="" type="checkbox"/> Engineer	<input type="checkbox"/> Public Works, Parks	_____
<input type="checkbox"/> Fire Dept.	<input type="checkbox"/> P & Z Commission	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:
 Discuss the proposed revisions and provide direction to the applicant and staff.

ADMINISTRATIVE COMMENTS/APPROVAL:
 City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:
 Date _____
 City Clerk _____

FOLLOW-UP:
 *Ord./Res./Agmt./Order Originals: Record *Additional/Exceptional Originals to: _____
 Copies (all info.): _____ Copies (AIS only) _____
 Instrument # _____



HENNESSY COMPANY

RECEIVED
MAY 16 2011

May 2, 2011

CITY OF HAILEY

Mr. Mike Chatterton
Business Manager
Blaine County School District
118 West Bullion St
Hailey, ID 83333

RE: Quigley Canyon Ranch

Dear Mr. Chatterton:

We are in receipt of your letter dated 4/11/11 concerning the above referenced project. Can you please provide the state, county and/or city statutes or ordinances that provide for the calculations you use in your letter? Please also show how these calculations were used on any other annexation projects in Hailey.

Sincerely,

David B. Hennessy
Hennessy Company

Cc: Beth Robrahn- City of Hailey



Blaine County School District #61

118 West Bullion Street - Hailey, Idaho 83333

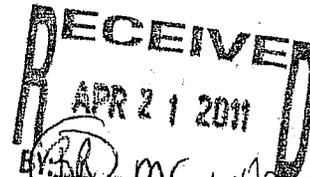
www.blaineschools.org

Phone (208) 578-5000 - Fax (208) 578-5110

April 11, 2011

Mr. David Hennessy
Hennessy Company
P.O. Box 2720
Ketchum, ID 83340

Re: Quigley Canyon Ranch



Dear Mr. Hennessy;

We have reviewed your letter dated February 24, 2011 and appreciate very much how the school site location has been changed to accommodate more land and proximity to our existing property. As we have discussed in the past, we feel an Elementary school site should be approximately 20 acres and the way you have shifted the site location next to our existing property could make this plan more accommodating for a natural Elementary site.

I am attaching our current formula based on the 440 lot subdivision you are proposing in the Quigley Canyon area. Using your \$327,910 per acre cost of land in the current market conditions, I would propose the estimated financial impact on a land value basis is \$3,102,029 and on new building impact would be \$3,146,077. Both numbers are very close in value by using either approach.

- Your letter indicated a base density deduction of 120 lots from the 440 lot subdivision. I would argue that the development within the City of Hailey city limits should not warrant a base density deduction from the plan, therefore all 440 lots should be included in the formula.
- The formula developed based on the number of students per household within the City of Hailey already accounts for the disparity of students in one area vs. another area. The base number of .43 students per household should be applied to the entire 440 lot subdivision. This equates to a projected number of students at 189.2.
- New developments will have an impact on the student population to the Blaine County School District. The student enrollment has increased at 2.4 percent per year just as we said two years ago during the School Plant Facility Levy.

- This Elementary School site will be more than likely used within the next several years. However, if the site was determined to be not needed as a viable school site in the future, we would consider offering Quigley Canyon Ranch first rights to purchase the land back from the School District.

The Blaine County School District looks forward to working with you and your team as you work through this process and believe this development will be a valuable asset to the City of Hailey as well as the entire Blaine County.

Respectfully Yours,



Mike Chatterton
Blaine County School District
Business Manager

Cc: Beth Robrahn-City of Hailey

Projected Values in lieu of land donations

.06 children/household in Ketchum/Sun Valley area
.43 children/household Hailey
.45 children/household in Bellevue
.65 children/household in Carey
.25 children/household in Blaine County
of lots multiplied by the number of projected lots in the subdivision
projected number of students
20 acres to build an Elementary School
400 students in an Elementary School

Quigley Canyon Ranch

Staff Housing Impact

Number of households	440
Number of students/household	0.43
Projected number of students	<u>189.2</u>

Projected number of students	189.2
Number of students in Elementary	400
Percentage of a new school needed	<u>47.30%</u>

Number of Acres for Elementary Site	20
Percentage of a new school needed	<u>47.30%</u>
Number of acres impact from the subdivision	9.46

Estimated Appraised Value/acre	\$ 327,910
Number of acres impact from the subdivision	9.46
Estimated Land Value impact	<u>\$ 3,102,029</u>

Building Impact

Wood River High School

Cost of Construction (without land value)	\$ 25,040,156
Capacity of the Building	1500
Cost per student at capacity	<u>\$ 16,693</u>

Woodside Elementary

Cost of Construction (without land value)	\$ 9,937,914
Capacity of the Building	600
Cost per student at capacity	<u>\$ 16,563</u>

Average Cost/Student	\$ 16,628
Projected Number of Students	189.2

Projected Building Cost Impact from the Quigley Canyon Ranch 440-Lot Subdivision	<u>\$ 3,146,077</u>
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HENNESSY COMPANY

RECEIVED
OCT 13 2010
CITY OF HAILEY

10/12/10

QUIGLEY CITY ANNEXATION

Assumptions:

1. No development above the pond.
2. Land for Golf Course deeded to the city. No Golf Course construction by developer.
3. Nordic Program to continue
4. 438 lots total ranging in size from 40x100 to +4 acres.
5. Developer has the ability to combine lots.
6. Venture is selling developed lots only. No vertical construction
7. Construction of Recreation Center is the responsibility of the City or BCRD
8. We will provide an option to the Blaine County School District for the school site to purchase the land as our sole contribution.
9. Road widths and configurations are similar to the previous plans.
10. Road on North side of canyon to be improved gravel past clubhouse location.
11. Development to be phased with preliminary plats of main phases. Land not developed to remain as agricultural land.
12. Quigley will share in the cost of the new municipal well based upon the percentage of our needs against the total size of the well. (400 gpm for Quigley equals 27% of 1,500 gpm total well)
13. Water rights will be deeded to the City
14. New well to be constructed prior to the start of Phase B
15. Fox Acres connection installed as part of Phase A
16. Woodside Trunk line installed/replaced prior to the issuance of the 150th permit.
17. Lots on Eastern end of ranch to be on separate septic systems
18. Quigley to design traffic improvements for Quigley, Croy, Bullion and Deerfield in conjunction with City's standards.
19. Quigley to share in the cost of installation of improvements as follows:
 - a. Quigley, Croy & Bullion improvements – Quigley 75% - City 25%
 - b. Deerfield – Quigley 25% - City 75%
 - c. Fox Acres – Quigley 90% - City 10%
20. Excess Water Rights value to offset Annexation Fee, Library Fee, WWT Expansion fee, CIP Water fee
21. No Community Housing

WORKING DRAFT FOR
DISCUSSION PURPOSES ONLY
March 28, 2011

RECEIVED
APR 28 2011
CITY OF HAILEY

ANNEXATION AND DEVELOPMENT AGREEMENT
(Quigley Canyon)

THIS ANNEXATION AND DEVELOPMENT AGREEMENT ("Agreement") is entered into this ____ day of _____, 2011, by and between the **CITY OF HAILEY, IDAHO**, a municipal corporation ("City"), and **QUIGLEY GREEN OWNER LLC**, a Delaware limited liability company ("Owner").

RECITALS:

- A. Owner owns a certain parcel of real property containing approximately 912 acres in the unincorporated area of Blaine County, Idaho, which is situated adjacent and contiguous to current municipal boundary of the City. Said parcel is described more particularly on **Exhibit "A"** hereto, and is hereinafter referred to as the "Property".
- B. City is a municipal corporation possessing all powers granted to municipalities under the applicable provisions of the Idaho Code, including the power to annex property contiguous to its boundaries, and to zone and enforce zoning within the boundaries of any property so annexed, and the power to contract for the terms and conditions under which it shall be annexed and developed.
- C. Owner has developed a preliminary conceptual master plan for the development of the Property, with a maximum residential density of 444 residential units, described and more particularly depicted on **Exhibit "B"** hereto, hereinafter referred to as the "Master Plan".
- D. Owner desires that the Property be annexed by the City, and developed in general compliance with the Master Plan, and in furtherance of that desire the Owner has filed, or within thirty (30) days from the date hereof, will file the following applications, which applications are hereinafter collectively referred to as the "Pending Applications":
 - (i) A voluntary petition for annexation of the Property by the City, pursuant to the provisions of Idaho Code § 50-222 and City Ordinance No. 889 ("Annexation Petition").
 - (ii) A request for various City zoning classifications to be imposed upon the Property upon its annexation, as depicted on the Zoning Diagram attached as **Exhibit "C"** hereto ("Zoning Request").
 - (iii) An application for City approval of a large block subdivision plat of the entire Property, consisting of Blocks A through J, as more particularly described and depicted on **Exhibit "D"** hereto ("Large Block Plat").

- E. It is the intent of the parties hereto that this Agreement, and the terms and conditions set forth hereinafter, shall detail and provide for the manner in which the Pending Applications shall be processed by the City and the Property, if annexed by the City, shall thereafter be developed.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Term. This Agreement shall be and become effective on the date hereof, and shall continue in full force and effect for a term of twenty (20) years thereafter unless earlier terminated by mutual written agreement of the parties hereto.

2. Binding Effect. This Agreement shall be binding upon, and benefit, the parties hereto and their respective successors and assigns, including all succeeding record title owners of the Property, with the exception of succeeding owners of lots, sublots, or Common Area parcels resulting from the resubdivision approved by the City of any block or blocks included on the Large Block Plat; provided, however, that purchases of individual residential lots or townhouse sublots within any development phase subdivision plat approved by the City, and the lot or sublots purchased by them, shall not, unless otherwise expressly agreed, be subject to this Agreement.

3. Pending Applications. Within ninety (90) days from the date hereof, or such longer period as may be mutually agreed to by the parties, the City shall approve, approve with conditions, or deny each of the Pending Applications. In the event the Annexation Petition is approved, or approved with conditions, the City agrees that prior to the effective date of annexing the Property by publication of an annexation ordinance, the Owner shall be given written notice of the City's final actions on the remaining Pending Applications, and provided a specified period of at least twenty (20) days thereafter in which to withdraw all of the Pending Applications, including the Annexation Petition if the Owner, in its sole discretion, determines the actions taken on said applications by the City are unacceptable.

4. Phased Development. City agrees that development of the Property may be done in a phased manner, the timing of which shall be determined by the Owner. Each development phase shall commence with an application by the Owner to resubdivide one or more blocks shown on the Large Block Plat, which shall be processed consistent with the terms and conditions of this Agreement. Without limitation to the foregoing, it is understood and agreed by the Owner that the total residential development of the Property shall not exceed 444 lots ranging in size from 4,000 square feet to individual lots exceeding four (4) acres in gross area, substantially consistent with the Master Plan. Unless mutually agreed to the contrary by the parties, all applications filed with the City related to each phase of development for the Property during the term of this Agreement shall be processed and evaluated pursuant to the provisions of this Agreement; the terms and conditions contained in approvals of the Pending Applications; and the City's land use ordinances and regulations, as written and in effect on the date of the Property's annexation, specifically including, but not limited to, the Hailey Zoning Ordinance and the Hailey Subdivision Ordinance. Until such time as any block included on the Large Block Plat has been replatted as a development phase in the

manner herein provided for, it may continue to be used for agricultural purposes at the option of the Owner.

5. Sewer and Water Service. The City agrees to serve each approved platted development phase of the Property with adequate sewer and water services in the same manner, and to the same extent and cost, as the same are made available to all other properties within the city of Hailey. Without limiting the foregoing, the Owner agrees, for the purpose of irrigating any common areas contained in any development phase on the Property, to accept in lieu of potable water from the City, irrigation water from separate City groundwater or surface water sources, or from treated effluent from the City's sewer facilities, provided such effluent is duly approved for that use by the Idaho Department of Environmental Quality, and provided further that such effluent does not require additional facilities or infrastructure, and is delivered at the same or lesser price per gallon as potable water. Except as expressly provided for herein, the City shall not impose upon the Owner, or require the Owner to contribute to the cost of, any off-site water or sewer facility improvements, with the exception of required participation, consistent with all other property owners in Hailey, in water and sewer facility improvements financed by bonded indebtedness incurred by the City. Further, on residential lots exceeding one (1) acre in size and subject to complying with all applicable regulations of the South Central Health District and the Idaho Department of Environmental Quality, the City shall permit on-site septic systems.

6. Design Flexibility. Each development phase of the Property shall be substantially consistent with the Master Plan and this Agreement, including all exhibits attached hereto; provided, however, that the City shall provide Owner reasonable design flexibility in each development phase.

7. Blaine County School District. To mitigate possible impacts which development of the Property may have on the school facilities owned and operated by the Blaine County School District ("District"), the Owner agrees, on or before the City's approval of the final plat for the first phase of development of the Property, to offer the District the right to purchase a specified elementary school site on the Property, pursuant to a contract in the form, and on the terms, set forth in **Exhibit E**" hereto. Should the District fail or refuse to enter into said contract within thirty (30) days after it has been presented to it by the Owner, or fails thereafter to duly exercise the option to purchase set forth therein, the offer and contract shall terminate, and no further mitigation of potential impacts to the District shall be required from the Owner as a result of the Property's annexation or development.

8. Roads and Streets. Roads and streets proposed for the Property, to be built in development phases as required, shall be located, sized and constructed in compliance with the standards set forth on **Exhibit "F"** attached hereto; provided, however, that the exact location of the roads shall be determined at the time the subdivision plat for each development phase is submitted to the City for approval. With the exception of alleys, all roads and streets shall, upon completion, shall be dedicated by the Owner to the City, and thereafter be controlled, repaired and maintained by the City as public streets.

9. Off-Site Public Improvements. To mitigate for impacts the development of the Property may have on certain public facilities and to assure adequate public services to the Property, the parties hereto agree as follows:

- (a) The City agrees to undertake the street improvements described below, and, provided such improvements are completed by the City within the time frames specified herein, the Owner shall participate in the costs reasonably incurred therefor, in the percentages, and up to the maximum amounts, set forth for each:
- (i) To pay to the City seventy-five percent (75%) of the costs reasonably incurred by the City to make certain improvements to Quigley Road, Croy Street and Bullion Street, which improvements are set forth more particularly in **Exhibit "G"** attached hereto; provided, however, that Owner's participation shall not exceed \$225,000. Payment of said share of the costs incurred shall be contingent upon prior approval of the final plat of Owner's resubdivision of Block D of the Large Block Plat by the City, and the completion of such improvements within one (1) year after such plat approval.
 - (ii) To pay to the City twenty-five percent (25%) of the costs reasonably incurred by the City to make certain improvements to Deerfield Neighborhood, which improvements are set forth more particularly in **Exhibit "H"** attached hereto; provided, however, that Owner's participation shall not exceed \$37,500. Payment of said share of the costs incurred shall be contingent upon prior approval of the final plat of Owner's resubdivision of Block C of the Large Block Plat by the City, and the completion of such improvements within one (1) year after such plat approval.
 - (iii) To pay to the City ninety percent (90%) of the costs reasonably incurred by the City to make certain improvements to Fox Acres Street, which improvements are set forth more particularly in **Exhibit "I"** attached hereto; provided, however, that Owner's participation shall not exceed \$540,000. Payment of said share of the costs incurred shall be contingent upon prior approval of the final plat of Owner's resubdivision of Block A of the Large Block Plat by the City, and the completion of such improvements within one (1) year after such plat approval.
- (b) Owner agrees to pay a portion of all costs, with the exception of the well site acquisition cost, which the City reasonably incurs for the development of a new municipal water well on the Property, the location and specifications for which are attached hereto as **Exhibit "J"**. The amount of the Owner's financial participation shall be determined by multiplying all costs so incurred by the City by a fraction, the numerator of which shall be 400 and the denominator of which shall be the design capacity of the well, measured in gallons per minute. Payment of the Owner's portion of said costs shall be credited with the fair market value of the well site, determined by a qualified appraiser mutually agreed upon by the parties and engaged by Owner, with

the balance thereof payable in full within sixty (60) days after the City provides the Owner with adequate evidence of all costs incurred for the well. The well site shall be conveyed to the City prior to the commencement of the well development, but only after the appraisal of its fair market value has been completed and distributed to the parties. Costs incurred for the appraisal shall be borne equally by the parties.

- (c) Within one (1) year after the Owner has sold the 150th residential lot approved for the Property, the Owner and the City shall undertake the relocation of the City's Woodside Trunk Sewer Line to the right-of-way of the City's existing bicycle path route in the manner described on Exhibit "K". The project shall conform to plans prepared or approved by the City, and shall, at the option of the City, be contracted for and completed by either the City or the Owner, and all costs reasonably incurred therefor, including all engineering, construction and related costs shall be paid for by the Owner, not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000), with the balance, if any, paid for by the City.

10. Dedicated Open Space. The Property includes certain open space parcels which the Owner agrees to dedicate and convey to the City, which areas are identified on the Zoning Diagram attached hereto as Exhibit "C" as Hillside and Trail Areas (totaling approximately 545 acres) and Public Park Land / Nordic Area / Possible Future Golf Course / Agriculture (totaling approximately 94 acres). Upon approval of the final plat for each development phase, the Owner shall dedicate and convey to the City, and the City shall accept, free of liens and encumbrances, with the exception of any City assessments or liens, and those set forth herein, mutually agreed upon portions of said public open space parcels. The City's use of said open space parcels shall, by deed restriction, restrictive covenants or as otherwise determined by the Owner, be subject to the following restrictions:

- (a) No residential, commercial or industrial uses or improvements shall be installed or maintained on said open space tracts, with the exception of two (2) buildings, not exceeding 5,000 square feet each, constructed in accordance with design guidelines approved by the Owner, which shall be operated in connection with open, outdoor recreational activities, including such improvements as a golf course or Nordic skiing clubhouse, including restaurant and normal "pro shop" activities; provided that any such buildings or structures shall be set back at least 200 feet from any areas of the Property planned for residential lots, as depicted on the Master Plan.
- (b) No hunting or firearm activities shall be permitted, and no motorized vehicle sports such as motorcycling, ATVs or snowmobiles shall be allowed except on dedicated public roads or as otherwise designated by Owner.
- (c) Outdoor recreational facilities may be developed and used on such parcels, including, but not limited to, golf courses, Nordic ski trails, pedestrian and bicycle trails, baseball diamonds, soccer fields, and other active recreational

fields, provided that no such uses may be lighted without the written consent of the Owner.

11. Appurtenant Water Rights. All water rights currently appurtenant to the Property shall be transferred and conveyed to the City on or before the approval of the final subdivision plat for the first development phase. Said water rights, described more particularly in **Exhibit "L"** hereto, shall be transferred and conveyed without any warranty by the Owner, expressed or implied, and all costs incurred in transferring ownership or otherwise amending the rights shall be the obligation of the City. Notwithstanding such conveyance, the City agrees to lease back to the Owner, at a nominal rate not to exceed \$1,000 per year, sufficient portions of said rights to permit the continued irrigation of the undeveloped portions of the Property that the Owner determines to use for continued irrigated agricultural purposes; provided, however, that the City shall at all times have absolute priority in using water from Water Right No. 37-19736 for mitigation purposes, to the extent necessary to prevent curtailment of adequate water supplies for the City due to inferior priority dates on other City municipal water rights, including curtailment based upon conjunctive management of groundwater and surface water rights by the State of Idaho.

12. Additional Impact Fees. Except as herein expressly set forth and provided for, neither the Owner, nor any succeeding owner of the Property, shall as a result of the annexation or subdivision of the Property, or its development consistent with this Annexation and Development Agreement, be obligated or required to pay to the City or its order any additional impact fees, annexation fees or similar fees, nor contribute to, participate financially in, or otherwise provide or improve any off-site public facilities owned or operated by the City including, but not limited to, trails, bicycle paths, roads, central sewer system facilities, water supply sources, water treatment and distribution system facilities, and recreational facilities. Nothing contained in this section, however, shall exempt the Owner from the obligation to complete and extend infrastructure and utility services within each development phase as required by the City's Subdivision Ordinance, or to pay standard fees for each City sewer and water system connection requested by the Owner.

13. Remedies. Subject to the provisions of Sections 14 and 15 hereinbelow, in the event either party hereto breaches any term, covenant or condition of this Agreement, the other party shall be entitled to pursue any and all remedies available at law or in equity, and the election of any remedy shall not preclude the pursuit of any other or further remedy so available. Further, the failure of either party to enforce or seek redress for any breach or default by the other party shall not be deemed a waiver of the right to do so upon any subsequent breach or default by said party. Without limiting the foregoing, each party hereto shall be entitled to specific performance for the other's breach of this Agreement, unless cured as provided for in Section 15 hereinbelow. Without limiting the foregoing, Owner shall be entitled to receive for City's breach of this Agreement, unless cured as provided for in Section 15 hereinbelow, all water rights theretofore conveyed by the Owner to the City.

14. Force Majeure. In the event the performance of any covenant to be performed hereunder by either Owner or City is delayed for causes which are beyond the reasonable control of the party responsible for such performance, the time for such performance shall be extended by the amount of time of such delay, not to exceed twelve (12) months. The party claiming such delayed performance resulting from a force majeure, shall notify the other party within five (5) days of the occurrence of a force majeure event, and shall thereafter use best efforts to mitigate for, or avoid, undue delays in performance.

15. Right to Cure. In the event of a breach of this Agreement, the parties agree that City and Owner shall have sixty (60) days after delivery of notice of said breach to correct the same prior to the non-breaching party seeking any remedy provided for herein; provided, however, that in the case of any such default which cannot with diligence be cured within such 60-day period, if the defaulting party shall commence to cure the same within such 60-day period and thereafter shall prosecute the curing of same with diligence, then the time within which such failure may be cured shall be extended for such period, not to exceed an additional sixty (60) days, as may be necessary to fully cure the default.

16. Miscellaneous.

(a) *Waiver.* A waiver by either party of any default by the other of any one or more of the covenants or conditions hereof shall apply solely to the breach and breaches waived and shall not bar any other rights or remedies for any subsequent breach of any such or other covenants and conditions.

(b) *Notices.* Any and all notices, demands, requests, and other communications required to be given hereunder by either of the parties hereto shall be in writing and be deemed properly served or delivered, if delivered by hand to the party to whose attention it is directed, or when sent, three (3) days after deposit with Federal Express, or upon the sending of a facsimile, followed by a copy sent by U.S. mail as provided herein, addressed as follows:

To City: City of Hailey
c/o Planning Director, Planning Dept.
115 Main Street South, Ste. H
Hailey, ID 83333
Phone: (208) 788-4221
Fax: (208) 788-2924

To Owner: Quigley Green Owner LLC
Attn: Barry P. Marcus
50 N. Water Street
South Norwalk, CT 06854
Phone: _____
Fax: _____

Copy: J. Evan Robertson
Attorney at Law
P.O. Box 1906
Twin Falls, Idaho 83303
Phone: (208) 933-0700
Fax: (208) 933-0701

or at such other address, or facsimile number, or to such other party which any party entitled to receive notice hereunder designates to the other in writing as provided above.

(c) *Attorney Fees.* Should any litigation be commenced between the parties hereto concerning this Agreement, the prevailing party shall be entitled, in addition to any other relief as may be granted, to court costs and reasonable attorney's fees as determined by a court of competent jurisdiction. This provision shall be deemed to be a separate contract between the parties and shall survive any default, termination or forfeiture of this Agreement.

(d) *Time is of the Essence.* Subject to the cure provisions of Section 14 hereof, the parties hereto acknowledge and agree that time is strictly of the essence with respect to each and every term, condition and provision hereof, and that the failure to timely perform any of the obligations hereunder shall constitute a breach of and a default under this Agreement by the party so failing to perform.

(e) *Final Agreement.* This Agreement sets forth all promises, inducements, agreements, conditions and understandings between Owner and City relative to the subject matter hereof, and there are no promises, agreements, conditions or understanding, either oral or written, express or implied, between Owner and City, other than as stated herein. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties hereto unless reduced to writing and signed by them or their successors in interest or their assign, and pursuant, with respect to City, to a duly adopted ordinance or resolution of the City.

(f) *Invalid Provisions.* If any provision of this Agreement is held not valid, such provision shall be deemed to be excised therefrom and the invalidity thereof shall not affect any of the other provisions contained herein.

(g) *Governing Law.* This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho.

(h) *Authorization.* Each of the parties hereto represents and warrants that it is duly authorized and legally entitled to enter into, and execute, this Agreement.

(i) *Counterparts.* This document may be signed in counterparts.

IN WITNESS WHEREOF, the parties, having been duly authorized, have hereunto caused this Agreement to be executed, on the day and year first above written, the same being done after public hearing, notice and statutory requirements having been fulfilled.

"CITY"

CITY OF HAILEY, IDAHO,
A municipal corporation

ATTEST:

By: _____

By: _____

Its: Mayor

Its: City Clerk

"OWNER"
QUIGLEY GREEN OWNER LLC

By: _____
Barry P. Marcus
Its: Member

STATE OF IDAHO)
)ss.
County of Blaine)

On this ____ day of _____, 2011, before me, a Notary Public, in and for said County and State, personally appeared _____ and _____, known or identified to me to be the Mayor and City Clerk, respectively, of the City of Hailey, the municipality that executed the foregoing instrument, and acknowledged to me that such municipality executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC FOR IDAHO
Residing at: _____
My commission expires: _____

STATE OF _____)
)ss.
County of _____)

On this ____ day of _____, 2011, before me, a Notary Public for said County and State, personally appeared **Barry P. Marcus**, known or identified to me to be the Member of QUIGLEY GREEN OWNER LLC, and acknowledged to me that he executed the foregoing instrument in his capacity as a member of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC
Residing at: _____
My commission expires: _____

lrim\realest\DevAgree_annex.Quigley

AGENDA ITEM SUMMARY

DATE: 7/25/2011 **DEPARTMENT:** Admin/Fire **DEPT. HEAD SIGNATURE:** HD/Chief Chapman

SUBJECT

Fire Consolidation Study

AUTHORITY: ID Code 50-1017 IAR _____ City Ordinance/Code _____

BACKGROUND:

Hailey, Bellevue, and Wood River Fire & Rescue have been dialoguing together for several years toward fire collaboration strategies. Our mutual consultant, Emergency Services Consulting, International (ESCI) is coming to town on Monday July 25th for a conversation with the Hailey City Council during our regular 5:30 pm city council meeting.

ESCI presented their study to a joint meeting of the jurisdictions on January 31, 2011. Following that presentation, Wood River Fire & Rescue accepted the study, but Hailey and Bellevue asked for some clarifying information, which led to an amendment of the study, received on February 22, 2011. The Hailey City Council reviewed that amended study on March 14, 2011, and continued to request more information, specifically on the tax impact of the recommendation.

The Steering Committee met on April 8, at which time we learned that Bellevue had new questions relative to the financial data in the report. A motion was made at the conclusion of that Steering Committee meeting stating that the Steering Committee should not meet again until such time as the elected officials of the jurisdictions expressed their intent regarding the study recommendations, with specific direction as to which strategy, option, or collaborative step(s) should be pursued by the steering committee.

The July 25th conversation will be the Hailey City Council's follow-up meeting to their March 14th discussion, during which they expressed significant dismay at the lack of specific cost projections within the study. ESCI will be present to answer any questions the council may have, and to assist in leading the council to a determination of whether or not significant information exists for the council to give specific direction as to which strategy, option, or collaborative step(s) they would like Hailey to pursue.

In the interim, ESCI has amended the study at Hailey's request, and the amended pages are flagged:

Page 229-230, Figure 153 and text amended

Page 328 Text and tables added between Figure 171 and Recommendation 43. This significant addition of text adds four pages. The pages number differently to the end of the document.

Page 331 Now Page 333, under Framework for Action; Landmarks for Reaching a Regional Fire Protection Vision; text added to second bullet - Joint Adoption of a Regional Fire Protection Vision

Further conversations resulted in another amendment to include Hailey's non-tax revenue in the financial projection. Those revised pages are inserted in the front flap of the study binder, and are an interesting comparison to the levy tables created before and after inclusion of \$21,000 in non-tax revenue.

Finally, Chief Chapman has put together a report on what he has been doing to date with the study recommendations.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

Budget Line Item # _____ YTD Line Item Balance \$ _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:

City Attorney Clerk / Finance Director Engineer Mayor
 P & Z Commission Parks & Lands Board Public Works Other

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Understand the study, discuss future directions.

FOLLOW UP NOTES:

Recommendations that have been completed:

Recommendation 5: (*Hailey Fire Department*) - Link the City Personnel Handbook and the HFD Rules and Guidelines to each other in their text to assure that all members are clear on administrative practices; Add effective, revision, and update information to existing SOG's; Establish an SOG detailing the review and update process. (pg. 21)

Recommendation 11: (*All Agencies*) – Establish and formalize the decision making process. (pg. 42)

Recommendation 15: (*Hailey Fire Department*) – Continue annual strategic planning efforts; Place a priority on finding a means by which to fund future capital replacement needs. (pg. 50)

Recommendation 26: (*Hailey Fire Department*) –Plan to replace the fire station with a facility with adequate space for fire apparatus, meeting room, and offices. (pg. 81)

Recommendation 31: (*Hailey Fire Department*) – Collect and record turnout time statistics (pg. 121)

Recommendation 37: (*Bellevue Fire Department & Hailey Fire Department*) – Develop defined training program goals and objectives. (pg. 140)

Recommendation 38: (*All Agencies*) Review the required number of annual hours of training to assure adequacy of skills maintenance. (pg. 142)

Recommendation 40: (*Hailey Fire Department*) Develop a partnership with WRF&R for training of entry level firefighters. (pg. 142) ***Planned resumption of countywide training of Recruit FF in 8/11***

Recommendations that cannot be completed

Recommendation 1: (*Hailey Fire Department and Wood River Fire & Rescue*) – An automatic aid agreement for ladder truck response between the agencies should be re-established as soon as practical. (pg.7) ***Comment: WRF&R has rejected reentry into the Auto-Aid agreement***

Recommendation 32: (*Hailey Fire Department & Wood River Fire & Rescue*) – Establish EMS response protocols to address the number and response level of first responder transport units. (pg. 132) ***Comment: Not applicable as HFD does not operate first responder transport units.***

Recommendations that rely on additional budget appropriations prior to implementation.

Recommendation 43: (Bellevue & Hailey Fire Departments) Adopt a schedule for frequency of inspections based on risk. (pg. 150)

Recommendation 12: (Hailey Fire Department) – Conduct annual hose and ladder testing. (pg. 45)

Recommendation 3: (All Agencies) - Establish a written safety program; Develop an OSHA compliant Respiratory Protection Plan. (pg.21)

Recommendation 17: (All Agencies) – Consider implementing a Length of Service Awards Program. (pg. 56)

Recommendation 28: (Hailey Fire Department) –Replace Hailey Engine #3

Recommendation 23: (All Agencies) – Develop a health and wellness program. (pg. 63)

Recommendation 22: (Hailey Fire Department) – Implement the use of a CPAT, or similar, physical assessment process for new hires; Establish a structured process of ability assessment for promotional candidates; Set employee medical standards and conduct periodic medical examinations. (pg. 62)

**Highlighted items are programmed into 2011-2012 proposed budget.*

Recommendations that depend on a decision to pursue functional or total consolidation, and budget appropriations, prior to implementation:

Recommendation 34: (All Agencies) Appoint a single training officer to coordinate training activities for all agencies. (pg. 138)

Recommendation 41: (All Agencies) Establish a records management system that is a shared effort between the three organizations. (pg. 143)

Recommendation 35: (All Agencies) Schedule weekly fire department training on the same night of the week to accommodate joint exercises. (pg. 139)

Recommendation 36: (All Agencies) Develop a cooperative training site shared by all three departments.

The following information was prepared in response to questions and comments in a memorandum dated March 8, 2011 from Heather Dawson, City Administrator to Mayor Davis and Hailey City Council.

Hailey's Questions

1. Benefits – The report shows that WRFD pays health benefits and \$100,000 life insurance policies on its employees and their family members. Is the extra cost of these benefits factored into the annexation/district costs? We estimate that the health benefits alone for Hailey's five employees' families under this scenario would exceed \$30,000 per year.

ESCI Response

Yes, the cost of all benefits was factored into each individual strategy. Baseline benefits for HFD are \$95,592 and are \$381,463 for WRFD. While the cost of benefits shown in Strategy B: is less than the total of the two independent fire departments, the percentage ascribed is based on the higher amount paid by WRFD. The dollar difference is attributed to cost avoidance with a fewer number (six versus eight) of administrative personnel.

2. Salaries - We also understand the report to say that higher wages would be paid to current Hailey workers. For example and hypothetically, if Hailey's Chief, who currently makes \$75,000/yr, were named Chief of the new district, his salary would increase to \$95,000. The current WRFD Chief, who now makes \$95,000, would continue to be paid that amount even if he were slotted into the \$80,000/yr Assistant Chief job. How are these salary increases factored when it is unknown as to who will be taking these roles? Different hypothetical configurations of the positions result in vastly different salary costs.

When merging organizations, we (ESCI) assume that the highest salary paid to similar classifications prevails (as described in Creating a Financial Baseline). The annual salary of the fire chief for WRFD of \$94,494 was used in any of the strategies that involved WRFD. Consequently the assumption under Strategy D: WRFD annexes into Hailey, the annual salary for the fire chief was calculated at \$94,494. As one illustration, the annual cost of wages and benefits for an assistant fire chief in HFD budget is approximately \$74,444.

Additional background on the financial calculation modeling program was shared with Heather Dawson and James Frehling following the steering committee meeting of Friday, March 18, 2011.

3. Salaries – The schedule of positions are different in some of the various tables. It is not clear as to why 2 Lieutenant positions have been formed in the combined tables and the Senior Engineer position was eliminated. It is also not clear as to why 2 clerical positions would be needed for the combined departments. Wouldn't that be a clear area where economy of scale may save some funding?

At the time of data collection, WRFD had five career lieutenants and one senior engineer. It was felt that over time the senior engineer position would promote to lieutenant. If the cost of

the position was calculated at senior engineer it might reflect a false savings. ESCI believes that with the consolidated fire department, it would be possible to have two 24-hour staffed units.

Two clerical positions were used based on the staffing currently used by HFD and WRFD. It is the belief that an annexation of HFD into WRFD would require slightly more than one FTE. Yes, there is potential for additional cost savings with a single clerical staff.

4. Minimum Staffing Needs – The Report identifies that under NFPA 1720, minimum staffing levels for a structure fire in an urban area be 15 employees. What is the minimum staffing of combined full-time and ppc employees necessary to generate that 15 member response?

Information on the number of career and PPC personnel necessary to assure an adequate response force is detailed on page 70 and includes Figure 43. Currently only WRFD (WRFR) has a combination of career and PPC staffing to meet NFPA 1720 standards.

To validate an analysis of on-scene staffing capabilities, results are compared with records from actual working fires and similar incidents from previous years. However, the data provided by the three departments, had insufficient detail to perform the analysis. Instead, ESCI referenced the reported number of emergency responders. In Figure 2: Agency Emergency Response Staffing Comparison in the Organizational Overview section, ESCI calculated the number of available responders, which is repeated in an abbreviated table below.

Figure 43: Emergency Response Staffing

Available Emergency Responders			
Staffing	BFD	HFD	WRFR
Total Responders	10	24	47
Total Available Responders, Using the 3:1 Ratio of Paid Per Call to On Duty Personnel	3.33	8.00	15.60

When the number of available emergency response personnel is compared to the Critical Task Staffing table in Figure 42, it is apparent that no one department is able to independently meet staffing for higher risk incidents. Only with mutual aid assistance from its neighbors, can any single department be assured of an adequate number of emergency responders.

5. Municipal Overhead – In Strategy D - WRFD annexes into Hailey - the municipal overhead cost factor is estimated to increase by 4½ times the approximate \$40,000 current cost. Hailey municipal overhead includes a proportionate cost by each department of the cost of elected officials salaries, some legal and administrative department salaries, and a very modest amount of city engineering support. The 4½ times increase implies practically that Hailey would need to add three full-time positions to our administrative staff and anticipate our legal department billings to increase

\$15,000 to \$25,000 for extra legal work incurred by the combined department with its new transport responsibilities. That assumption is not acceptable; there would actually be NO increase in administrative staff at the city level other than some additional legal work. City administrative staff have been cut substantially with the drop in development/building applications, and have turned their attention to grant writing and grant administration. Any additional salary cost of a grant program for a new fire department would be written into the grants themselves and generate their own funding. Any increase in personnel required by an increase in development activity would be covered by a corresponding increase in permit fees. The additional payroll and accounts payable of the larger department would be easily absorbed by our competent clerical staff and integrated financial software. At most, we estimate that 10 hours per month of additional clerical work would be incurred by the payroll/accounts payable staff.

To arrive at the cost of municipal overhead (indirect charges), ESCI requested and received historical data on the amount of charges applied to the fire department. Seven years of municipal overhead charges to the fire department were averaged. The seven-year average is 9.5 percent. In the baseline year this was \$46,004. This amount was then used in future calculations. For Strategy D the amount is less than four times the current amount.

As provided by the City of Hailey, municipal overhead includes a proportionate cost by each department for the cost of elected officials salaries, some legal and administrative department salaries, and a very modest amount of city engineering support. With an increase in the number of personnel in the fire department a greater proportion of the municipal overhead cost would be assigned to the fire department. If the City of Hailey has adopted a different method of allocating municipal ESCI would recalculate the cost of Strategy D.

6. Mechanic – Hailey currently assigns various staff to mechanical repair of its fire equipment, including the fire department clerical staff, and fire trucks are sometimes brought into Hailey's maintenance shop and worked on by the street department mechanic. How is fleet maintenance handled in the costs tables of this report? Why is no mechanic identified as a department/district need?

HFD's budget lists \$3,500 for Auto Repair & Maintenance and WRFD \$20,000 for Vehicle R&M (repair and maintenance). WRFD budget also includes some funds for shop supplies. ESCI believes that repair and maintenance is an area that the budget is very conservative. While each consolidation strategy would require fewer emergency apparatus, the amount for repair and maintenance was not reduced but formulated to maintain the same ratio of funding. While the cost of hiring a full-time mechanic may be feasible in the future, ESCI would recommend determining if the capacity exists in Hailey for apparatus repair and maintenance or contracting for outside services before committing to a new position.

The report did not identify the use of a fire mechanic but a discussion of potential savings through shared emergency apparatus is found in AD – Establish a Plan for Shared Frontline and Reserve Fire Apparatus.

7. Budgets – all the baseline budget tables show Hailey as receiving no non-property tax revenue. In fact, Hailey provided ESCI with reports which show our non-property tax revenue as consisting of significant grant and mutual aid funds, as well as permit fees for fire permits and business licenses. That revenue has driven the tax funded portion of the fire departments from above \$500,000 to approximately \$360,000 in some busy permit and mutual aid years. Although the permits/licenses fees have dwindled in the past two years to an approximate \$11,000 per year, in prior years they were between \$35,000 and 60,000. Some of these fees pay for the review of commercial construction plans for fire prevention (sprinkler systems, etc) and some of the fees pay for general inspection activity of businesses. It will be important in the consideration of an annexation/district to identify whether the activity of plan review and business inspections belongs in an emergency service response department or in our community development department. The revenue should follow the staffing. Why does this report ignore that revenue entirely?

ESCI did not ignore the revenue. The revenue reported by HFD was shown on Page 33 of the report and lists the historical revenue for the department.

Figure 23 shows the historical revenue for the HFD between 2006 and 2011.

Figure 23: HFD Revenue, 2006 – 2011

Category	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget
Permits	19,863	42,250	16,823	27,259	13,555	10,549
Mutual Aid	4,498	19,327	20,338	106,620	4,631	800
Grants	62,504	74,544	1,531	1,376	5,250	0
1/4 Business Licenses	9,539	9,750	8,394	10,330	9,782	10,006
Local Option Tax	0	0	50,000	0	0	0
Total	\$96,405	\$145,871	\$97,085	\$145,585	\$33,219	\$21,355

Grant funds are considered one time funds and are generally for a specific capital purpose, with some exceptions. However, some grants like SAFER (Staffing for Adequate Fire and Emergency Response) awards are for funding personnel positions and would be included. Because there were no grant awards specific to the operations budgets of the fire departments they were not included in the baseline budgets. Irregular revenue from responses to mutual aid, automatic aid, and wildland incidents will have an off-setting expenditure to a fire department. The three fire departments did not report any of this type of revenue

The memorandum stated, "That revenue has driven the tax funded portion of the fire departments from above \$500,000 to approximately \$360,000 in some busy permit and mutual aid years." In fiscal year ending in 2006, Hailey reported a total of \$145,870.59 in revenue, the highest for the reported seven-years. It included a one-time grant of \$74,543.58.

ESCI agrees that identification of how the plan review and business inspections activities for each of the community would be provided. It is considered to be a core function of a fire

department and that in any of the strategies this practice would continue. The fire department would be the AHJ (authority having jurisdiction) with the rights and authorities granted under Idaho Statutes. In the same way the two cities would continue to develop and or adopt building, mechanical, fire and life safety, plumbing, and municipal codes. The fire department would be accountable to enforce those codes as an element of their fire and life safety inspections.

Each of the strategies support continuation of these activities with FTEs assigned to fire prevention duties.

8. Capital Planning – Although capital replacement costs are identified for apparatus, there is no capital replacement costs identified for the existing stations. How does ESCI suggest capital facilities development and replacement occur under the recommended scenarios?

All three agencies (fire departments) have facilities that are in need of upgrades (see full discussion under Facilities). The fire departments are unable to fully fund current and future capital facilities and apparatus replacement and upgrades. ESCI recommended that in the strategies that "...a portion of any savings be used to increase capital reserves to fund replacement of capital apparatus and equipment."

9. Fire Station Placement – Page 181 of the report calls out the Hailey/WRFD station(s) location on Third Avenue South as being ideal and of sufficient size for the construction of a training facility adjacent to a combined station. The consultants were informed that the site is impeded by the Third Avenue Well, in the vacated street between the two existing buildings, which would require a 50 foot construction setback around it. The report does not address that information, nor does the report offer any advice as to how to fight fires from a station that is under deconstruction/reconstruction activity with no other station within the area. Because this report may be relied upon by future city staff and elected officials, accuracy in matters such as this are appreciated.

ESCI describes the fire stations on Third Avenue South on page 181 this way, "The current Hailey fire station location is viewed as desirable for two reasons: First, it provides for appropriate response times to the core area of Hailey, which is also the area of highest risk. Second, the site, if combined with the property on which the existing WRFR Fire Station No. 2 is located, is of sufficient size to accommodate the construction of a firefighter training facility—envisioned to be operated as a regional resource—adjacent to a new fire station.

A location that is in the general area of the current facilities would provide well for the needs of HFD and WRFD. The Future Facility Deployment Options section of the report includes the general locations of future necessary fire stations. If in fact the site on Third Avenue South is inadequate to meet the needs of the fire department another location within a several blocks would be satisfactory.

10. Capital Reserves – Page 328 calls out that WRFD is the single agency with a capital reserve fund, and the financial tables throughout the report identify no capital funding on Hailey's part for its fire department. In fact, Hailey has instituted a robust capital

replacement program over the past 15 years and has replaced its equipment in a manner that results in only one piece of equipment needing replacement at this time. In addition, Hailey has collected and reserved Development Impact Fees which are restricted to replacement of fire equipment and stations. Currently these restricted funds for fire capital amount to \$138,364. At the recommendation of the Development Impact Fee Advisory Committee, we have not budgeted these fees, which continue to accrue, until the City Council has made decisions relative to a fire consolidation study. If not spent by the end of fiscal year 2011-2012 (18 months from now), \$80,000 of these fees will need to be returned to developers.

In information provided and verified by HFD, the City has a capital replacement plan that was developed in 2007, that is updated annually. The City also identified that a "Funding source is not identified."

In the time since the release of the final draft document ESCI was apprised of the un-appropriated restricted impact fees available for the fire department. This information has been added to the report.

Items of High Importance

Tiered Response Protocols for Emergency Medical Service. Hailey has become the population hub of the valley in part because we provide first responder assistance to EMS calls within our city limits, and administer valuable aid until such time as transporters arrive on scene. The Summit Apartments for seniors and disabled citizens, located near Hailey's downtown core, provides the primary reason Hailey's call volume is so high in the central part of town. In addition, the 24-unit senior apartment building on north River Street will be completed and occupied within a year. Hailey has provided circuit breaker relief in its utility rate structures to assist elderly residents to remain in their Hailey homes. Under an annexed/district scenario, the City should ensure that its residents continue to receive a high level of tiered response care. If cooperative strategies other than annexation/district are followed, Hailey should pursue getting some subsidy from WRFD for its assistance with tiered response.

ESCI believes that under the recommended scenario the level of emergency medical service would not be maintained but enhanced. HFD provides first responder assistance to EMS calls within the city limits. Strategy C: increases the level of care to the paramedic level for first response.

Code Review and Inspections. Review and inspections of day cares, businesses, commercial buildings, fire extinguishers and such have been part of the Hailey Fire Department's Fire Marshall duties and serve an important role in fire prevention. Decrease in fire calls and increase in emergency medical calls have changed the activity of the Hailey Fire Department over the past decade. Our strategy has been to have well-functioning code-enforcement personnel at work who can also respond to emergency calls. Finding the balance between city ownership of this function, compared to a district's ownership of it, and ensuring that we don't have to create redundancy in our Community Development

Department because of City responsibilities vis-à-vis an independent fire marshal who doesn't have reporting requirements to the Hailey mayor is an important consideration.

The question of fire prevention and fire marshal services was answered in the response to question number seven.

- **Joint Adoption of a Regional Fire Protection Vision.** The governing officials formally adopt a Regional Fire Protection Vision. Such action includes the appointment, charge, and timeline goal of a Regional Fire Protection Vision Steering Committee. A sample vision and three fundamental questions that should apply to steering committee actions are provided below.

Provide the highest quality emergency fire and EMS service for our citizens with the available resources. The Strategy is: To develop a consolidation work plan and determine if it provides net efficiencies in fire and EMS service delivery between Bellevue Fire Department, Hailey Fire Department, and Wood River Fire and Rescue.

- *Are we considering a consolidation for the benefit of our citizens?*
- *Are we considering a consolidation to gain efficiencies for the benefit of our citizens?*
- *Are we considering a consolidation to improve the overall level of service, standards of cover, and enhance services for the benefit of our citizens?*

From: Heather Dawson [mailto:heather.dawson@haileycityhall.org]
Sent: Wednesday, July 13, 2011 12:03 PM
To: martin goughnour
Cc: Bart Lassman External
Subject: Revenue shown in Study

Hi Martin -

Does the WRFPD \$939,605 non-tax revenue shown in your study include any fire related fees and permits? Is it all ambulance district funds?

Heather Dawson
Hailey City Administrator

From: martin goughnour [mailto:martin.goughnour@esci.us]
Sent: Wednesday, July 13, 2011 4:05 PM
To: Heather Dawson
Subject: RE: Revenue shown in Study

Heather:

The revenue figures provided by the cities and district were included in the study (I pulled the three revenue history tables and included them (below)).

Revenues were used in calculating each of the strategies.

Martin

Really? I don't see any Hailey non-tax revenue in Figure 123, 138, 143, and 156.

Heather Dawson
Hailey City Administrator

Heather,

You are correct; HFD's revenue was not included in Figure 123. This was an omission on my part. While each of the strategies included the non-tax revenue as appropriate this figure *did not*. We received the background information for HFD's revenue in January. This was after the report had been completed. While making calculations, adjustments, and edits I overlooked adding the revenue to this figure.

A corrected figure (below) has been added to the report. The figures that follow, including Figure 124: Fire Protection Cost and Average per Capita are correct.

Figure 123: Modeled Baseline Cost of Fire Protection

Budget Category	BFD	HFD	WRFR
Personal Services	\$38,995	\$407,943	\$1,410,983
Materials & Services	48,092	76,307	215,320
Capital Outlay	0	0	116,050
Transfer	0	0	0
Contingency	0	0	0
Municipal Overhead	8,273	46,004	0
Model Budget	95,360	530,253	1,742,352
Calculation of Tax Cost			
Assessed Value	341,974,480	1,278,745,835	1,146,905,909
Model Budget	95,360	530,253	1,742,352
Non-Tax Revenue	4,000	0	939,605
Equivalent Tax Levy	91,360	530,253	802,747
Modeled Tax Rate	\$0.267	\$0.415	\$0.700
Modeled Tax Rate (Excluding Capital Outlay)	\$0.267	\$0.415	\$0.599

Figure 123: Modeled Baseline Cost of Fire Protection (Corrected)

Budget Category	BFD	HFD	WRFR
Personal Services	\$38,995	\$407,943	\$1,410,983
Materials & Services	48,092	76,307	215,320
Capital Outlay	0	0	116,050
Transfer	0	0	0
Contingency	0	0	0
Municipal Overhead	8,273	46,004	0
Model Budget	95,360	530,253	1,742,352
Calculation of Tax Cost			
Assessed Value	341,974,480	1,278,745,835	1,146,905,909
Model Budget	95,360	530,253	1,742,352
Non-Tax Revenue	4,000	21,250	939,605
Equivalent Tax Levy	91,360	530,253	802,747
Modeled Tax Rate	\$0.267	\$0.398	\$0.700
Modeled Tax Rate (Excluding Capital Outlay)	\$0.267	\$0.398	\$0.599

I broke down the revenue (highlighted in yellow) and applicable methodology for figures 138, 143, and 156.

Strategy A: BFD Annexes into WRFR

Figure 138: Strategy A Modeled Baseline Budget (Illustration)

Budget Category	BFD Annex into WRFR
Personal Services	
Administration	251,116
Operations	631,945
Benefits	392,777
Overtime	177,054
Materials	81,200
Services	126,910
Maintenance	41,200
Municipal Overhead	0
Model Budget	\$1,702,202
Calculation of Tax Cost	
Assessed Value	1,488,880,389
Model Budget	1,702,202
Operating Revenue	943,605
Equivalent Tax Levy	758,597
Modeled Tax Rate	\$0.510

Strategy A: Inputs for Operating Revenue (below) include Bellevue FD, miscellaneous income, equipment rental, and fire permits.

Ambulance Revenue	
Service Fees	3,000
Ambulance District Contract	886,955
Interest Check/Savings	300
Miscellaneous Income	5,000
Grants/Gifts	100
Fire Revenue	
Plan check Fees	10,000
Permit Fees	3,500
Interest Checking/Savings	250
Interest Capital Reserve	1,000
Miscellaneous Carryover	20,000
Grants/Gifts	12,500
Equipment Rental	1,000

Strategy B: HFD Annexes into WRFR

Figure 143: Strategy B Modeled Baseline Budget (Illustration)

Budget Category	HFD Annex into WRFR
Personal Services	
Administration	359,007
Operations	641,625
Benefits	435,420
Materials	137,342
Services	90,525
Maintenance	48,500
Municipal Overhead	0
Model Budget	\$1,886,999
Calculation of Tax Cost	
Assessed Value	2,425,651,744
Model Budget	1,886,999
Operating Revenue	939,605
Equivalent Tax Levy	947,394
Modeled Tax Rate	\$0.391

Strategy B: Inputs for Operating Revenue do not include City of Hailey, permits and the 0.25 business license revenue. This revenue was assumed to remain with the City.

Ambulance Revenue	
Service Fees	3,000
Ambulance District Contract	886,955
Interest Check/Savings	300
Miscellaneous Income	2,500
Grants/Gifts	100
Fire Revenue	
Plan check Fees	10,000
Permit Fees	3,000
Interest	
Checking/Savings	250
Interest Capital Reserve	1,000
Miscellaneous Carryover	20,000
Grants/Gifts	12,500

Strategy E: The Cities of Bellevue and Hailey and WRFR Create a New Fire District

Figure 156: Strategy E Modeled Baseline Budget (Illustration)

Budget Category	New Fire District
Personal Services	
Administration	458,813
Operations	641,625
Benefits	477,238
Materials	109,225
Services	158,664
Maintenance	54,200
Municipal Overhead	0
Model Budget	\$2,087,409
Calculation of Tax Cost	
Assessed Value	2,767,626,224
Model Budget	2,087,409
Operating Revenue	943,605
Equivalent Tax Levy	1,143,804
Modeled Tax Rate	\$0.413

Strategy E: Inputs for Operating Revenue do not include City of Hailey, permits and the 0.25 business license revenue. This revenue was assumed to remain with the City. Strategy E: Inputs for Operating Revenue (below) include Bellevue FD, miscellaneous income, equipment rental, and fire permits.

Ambulance Revenue	
Service Fees	3,000
Ambulance District Contract	886,955
Interest Check/Savings	300
Miscellaneous Income	5,000
Grants/Gifts	100
Fire Revenue	
Plan check Fees	10,000
Permit Fees	3,500
Interest Checking/Savings	250
Interest Capital Reserve	1,000
Miscellaneous Carryover	20,000
Grants/Gifts	12,500
Equipment Rental	1,000

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The text also mentions the need for regular audits and the role of independent auditors in ensuring the reliability of financial statements.

2. The second part of the document focuses on the role of the accounting profession. It highlights the need for accountants to adhere to high standards of ethical conduct and to maintain their professional competence through continuous education. The text also discusses the importance of transparency and accountability in the accounting process.

3. The third part of the document addresses the challenges faced by businesses in the current economic environment. It notes that many businesses are struggling due to increased competition and rising costs. The text suggests that businesses should focus on improving their operational efficiency and reducing their reliance on debt financing to survive and thrive.

4. The fourth part of the document discusses the impact of government regulations on businesses. It notes that while regulations are necessary to protect the public interest, they can also be burdensome and costly for businesses. The text suggests that businesses should work with government officials to identify areas where regulations can be streamlined or improved.

5. The fifth part of the document discusses the role of technology in the accounting profession. It notes that the use of software and automation has significantly improved the efficiency and accuracy of accounting processes. The text also mentions the need for accountants to stay up-to-date on the latest technological developments in their field.

6. The sixth part of the document discusses the importance of financial literacy for the general public. It notes that many people lack the knowledge and skills needed to make informed financial decisions. The text suggests that financial education should be a priority for schools and community organizations. It also mentions the need for financial advisors to provide clear and unbiased advice to their clients.

7. The seventh part of the document discusses the role of the media in financial reporting. It notes that the media plays a crucial role in disseminating financial information to the public. The text suggests that the media should strive for accuracy and objectivity in its reporting and avoid sensationalism. It also mentions the need for the media to hold financial institutions and individuals accountable for their actions.

8. The eighth part of the document discusses the future of the accounting profession. It notes that the profession is likely to continue to evolve as technology advances and the needs of businesses change. The text suggests that accountants should focus on developing new skills and services that will be in demand in the future. It also mentions the need for the profession to remain transparent and accountable to the public.

AGENDA ITEM SUMMARY

DATE: 07/25/2011 **DEPARTMENT:** Admin/CD

DEPT. HEAD SIGNATURE: HD

SUBJECT:

Airport West Owner's Association request for 4th Amendment to Airport West Annexation Agreement to allow accessory dwelling units within the Airport West Subdivision

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Two years ago, the Airport West Owner's association approached the City of Hailey to explore whether the city would be willing to amend the Airport West Annexation Agreement to allow Accessory Dwelling units within the subdivision. The City Council expressed willingness that the matter be explored.

The city attorney advised that all property owners within the Airport West Subdivision agree to a change in the annexation agreement, thereby allowing the application for Annexation Agreement Amendment to be processed and considered by the Hailey City Council. Airport West Owner's Association has collected all of the signatures needed to bring that application forward.

Should the Hailey City Council approve this 4th Amendment to Airport West Annexation Agreement, the Airport West Owner's Association would then file for a text amendment to the zoning ordinance, allowing accessory dwelling units in the SCI-I zone (residential units within mixed use buildings are currently permitted in the SCI-SO zone).

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Caselle # _____

Budget Line Item # _____

YTD Line Item Balance \$ _____

Estimated Hours Spent to Date: _____

Estimated Completion Date: _____

Staff Contact: _____

Phone # _____

Comments:

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Take public comment and make decision to approve or deny Airport West Owner's Association request for 4th Amendment to Airport West Annexation Agreement to allow accessory dwelling units within the Airport West Subdivision

FOLLOW-UP REMARKS:

*

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

KNEELAND, KORB, COLLIER & LEGG
Post Office Box 249
Ketchum, ID 83340
KKCL File No. 7499-Z

(Space above line for Recorder's Use)

FOURTH AMENDMENT TO
ANNEXATION, SERVICES AND DEVELOPMENT AGREEMENT
AIRPORT WEST BUSINESS PARK

THIS FOURTH AMENDMENT TO ANNEXATION, SERVICES AND DEVELOPMENT AGREEMENT, AIRPORT WEST BUSINESS PARK ("Fourth Amendment") is made this ___ day of _____, 2011, by and between the City of Hailey, Idaho, a municipal corporation, ("Hailey" or "City") and Airport West Business Park Owners Association, Inc., an Idaho non-profit corporation, ("Association") as Attorney-in-Fact for the designated owners ("Owners") of property in Airport West Business Park listed on Exhibit "A", attached hereto and by this reference made a part hereof ("Owners" and together with Hailey or City, the "Parties").

RECITALS:

A. The Annexation, Services and Development Agreement, Airport West Business Park, was recorded on February 11, 2002 as Instrument No. 461307, records of Blaine County, Idaho, and amended by the First Amendment to Annexation, Services and Development Agreement, Airport West Business Park, recorded on December 4, 2002, as Instrument No. 474736, records of Blaine County, Idaho, Amendment No. One to Annexation, Services and Development Agreement, Airport West Business Park, recorded on September 20, 2005, as Instrument No. 526228, records of Blaine County, Idaho, and Amendment No. Two to Annexation, Services and Development Agreement, Airport West Business Park, recorded on April 3, 2006, as Instrument No. 533813, records of Blaine County, Idaho (collectively referred to as "Agreement").

B. The Parties to this Fourth Amendment are parties, or successors in interest of Parties to the Agreement which restricts the property to certain uses which uses the Parties desire to modify hereby.

C. The Parties desire to amend in its entirety Section 1(a) of the Agreement which now reads as follows:

"No residential uses of any kind shall be permitted anywhere on the property."

FOURTH AMENDMENT TO ANNEXATION, SERVICES AND
DEVELOPMENT AGREEMENT AIRPORT WEST BUSINESS PARK

Page 1

D. Section 8, Amendment, of the Agreement provides that it may be revised, amended or cancelled in whole or in part by a written instrument executed by both parties.

E. Hailey has complied with hearing and notice provisions necessary to modify the Agreement.

FOURTH AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, agreements, terms and conditions set forth herein, the Parties to this Fourth Amendment amend the Agreement as hereinafter provided.

1. Section 1(a) of the Agreement is hereby amended by the deletion of Section 1(a) in its entirety and by replacing it with a new Section 1(a), to read as follows:

a) Residential use shall be permitted on the Property subject to and in compliance with the Declaration of Covenants, Conditions and Restrictions for Airport West Business Park recorded as Instrument No. 469043, records of Blaine County, Idaho, as amended, and all applicable City ordinances, and conditions and restrictions required by Hailey.

2. All of the other terms and provisions of the Agreement not in conflict herewith are hereby ratified and confirmed.

IN WITNESS WHEREOF the Parties hereto have executed this Fourth Amendment effective upon the recording hereof in the Records of Blaine County, Idaho.

CITY OF HAILEY

By _____
Richard L. Davis, Mayor

ATTEST:

Mary Cone, Hailey City Clerk

STATE OF IDAHO)
) ss.
County of Blaine)

On this ____ day of _____, 2011, before me, a Notary Public in and for said State, personally appeared Richard L. Davis, known or identified to me to be the person whose name is subscribed to the within instrument as Mayor of the City of Hailey, and acknowledged to me that he executed the same as such Mayor.

WITNESS MY HAND AND SEAL.

(Seal)

NOTARY PUBLIC for Idaho
Residing at: _____
Commission expires: _____

STATE OF IDAHO)
) ss.
County of Blaine)

On this ____ day of _____, 2011, before me, a Notary Public in and for said State, personally appeared Mary Cone, known or identified to me to be the person whose name is subscribed to the within instrument as City Clerk of the City of Hailey, and acknowledged to me that he/she executed the same as such City Clerk.

WITNESS MY HAND AND SEAL.

(Seal)

NOTARY PUBLIC for Idaho
Residing at: _____
Commission expires: _____

AGENDA ITEM SUMMARY

DATE: 07/25/2011 DEPARTMENT: Admin DEPT. HEAD SIGNATURE: HD

SUBJECT:

Public Hearing on new or increased fees, including administrative fees, amplified sound permit fees, camping fees, records and copying fees, and water & wastewater user fees, bond fees, connection fees, administrative fees, including a potential waiver to long-standing customers for some administrative fees.

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Public Hearing is required on any new or increased fee, and notice for the above listed fees has been published according to Idaho Code 63-1311A.

Resolutions have been drafted for council discussion and are attached. They include a resolution for amplified sound permit fees, for records and copying fees, and for water and wastewater fees. These resolutions are tied to the Hailey Municipal Code Section which establishes the authority for the fee.

Also noticed were the camping fees which the council has discussed. The Resolution has not yet been drafted as there remain details to work out regarding collection of the fee through the Hailey Chamber of Commerce. The public hearing on July 25th will be on the fee amount, proposed at \$10.00 per night and \$25.00 for three nights.

The other proposed fees are included in the draft Resolutions.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Caselle # _____

Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____
Comments: _____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Hold public hearing, discuss, and adopt or amend the 3 Resolutions attached. Give direction on the camping fees.

FOLLOW-UP REMARKS:

*

RESOLUTION NO. 2011 - 19

A RESOLUTION OF THE HAILEY CITY COUNCIL ENACTED PURSUANT TO HAILEY MUNICIPAL CODE CHAPTER 9.04, ESTABLISHING A FEE FOR AN OUTDOOR AMPLIFIED SOUND PERMIT FOR EVENTS EXEMPTED FROM PROHIBITION OF NOISE UNDER SECTION 12.14.030 OF THE HAILEY MUNICIPAL CODE

WHEREAS, the City of Hailey has adopted Chapter 9.04 of the Hailey Municipal Code which restricts noise within the city, including noise generated by outdoor amplified sound.

WHEREAS, the City of Hailey has adopted Chapter 12.14 of the Hailey Municipal Code sets out procedures and requirements for special events held in the City of Hailey;

WHEREAS, Section 12.14.030 of the Hailey Municipal Code exempts certain special events from the noise restrictions of Section 9.04, and provides for an amplified sound permit to be obtained from the City of Hailey, and provides that a fee may be charged as established by resolution of the Hailey City Council.

WHEREAS, the Hailey City Council seeks to cover its direct costs for services, and seeks to encourage activity which generates economic activity;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hailey, Idaho that a fee of \$25.00 be collected with each outdoor amplified sound permit application submitted to the City of Hailey. This fee is estimated to cover the cost of administrative review of the application and one (1) site-visit from the Hailey Police Department to help establish correct decibel levels. Further trips to the site required by Hailey Police Department to adjust or enforce the decibel settings will each incur a \$10.00 trip fee.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THE _____ DAY OF _____, 2011 AND EFFECTIVE THE _____ DAY OF _____, 2011.

Richard L. Davis
Mayor City of Hailey

ATTEST:

Mary Cone, City Clerk

RESOLUTION NUMBER 2011- 20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAILEY, IDAHO
ESTABLISHING A COPYING FEE SCHEDULE FOR PUBLIC RECORDS
REQUESTS

WHEREAS, the Hailey City Council has found that it is necessary to establish and update copying fees for reimbursement to the City of Hailey for its costs of researching, copying and/or sending public records; and

WHEREAS, the copying fee schedule shall not exceed rates allowed in Idaho Code § 9-338; and (Should we specify the exact section of the code here?)

WHEREAS, the City of Hailey has documents that are stored in a variety of forms, including but not limited to, electronic, tape, compact disc, paper, microfilm and blueprints which may be costly to be duplicated and which may need to be duplicated by consultants and/or specialty companies; and

WHEREAS, a lower copy fee for double-sided copies may encourage the public to request double-sided copies and lead to a reduction in paper usage.

NOW THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Hailey, Idaho that the City Council hereby establishes a copying fee schedule for public records requests.

This Resolution will be in full force and effect upon its adoption this _____ day of July, 2011.

CITY OF HAILEY, IDAHO

Rick Davis, Mayor

ATTEST:

Mary Cone, City Clerk

CITY OF HAILEY, IDAHO
COPYING FEE SCHEDULE FOR PUBLIC RECORDS REQUESTS
COSTS OF COPYING

Cost per copy

<u>Black & White</u>	<u>Color</u>
\$.06/page: 8.5"x11" Single-sided	\$.25/page: 8.5"x11"
\$.06/page: 8.5"x14" Single-sided	\$.30/page: 8.5"x14"
\$.11/page: 8.5"x11" Double-sided	
\$.11/page: 8.5"x14" Double-sided	
\$.15/page: 11"x17" Single-sided	\$.45/page: 11"x17"
\$.20/page: 11"x17" Double-sided	

Cost for copies for oversized materials which cannot be copied by the City of Hailey is based on the current rate of the facility selected to make the copies:

24" X 36"
 22" X 34"

Pursuant to Idaho Code § 9-338(10)(a)(b), Except for fees that are authorized or prescribed under other provisions of Idaho law, no fee shall be charged for the first two (2) hours of labor in responding to a request for public records, or for copying the first one hundred (100) pages of paper records that are requested. If the request meets the following criteria, actual labor and copying costs may be recovered if:

- The request is for more than one hundred (100) pages of paper records; or
- The request includes records from which nonpublic information must be deleted; or
- The actual labor associated with responding to requests for public records in compliance with the provisions of chapter 9-338(10)(b), exceeds two (2) person hours.

Pursuant to Idaho Code § 9-338(10)(e) the following labor rates may apply:

LABOR RATES

Administrative staff	\$30 per hour
City Clerk	\$50 per hour
Administrator/Engineer	\$60 per hour
City Attorney	\$150 per hour

OTHER CHARGES

For providing a duplicate of a computer tape, computer disk, microfilm or similar or analogous record system containing public record information, the City of Hailey shall charge a fee uniform to all persons that does not exceed the sum of the following:

- The City of Hailey's direct cost of copying the information in that form, including labor at hourly rates specified above, overhead at rate specified above and cost of materials;
- The standard cost, if any, for selling the same information in the form of a publication;
- The cost of consultant services to research and copy public records request.

Payment of the applicable charges shall be made prior to the commencement of research or copying based upon the City Clerk's estimated cost for meeting the public records request.

AGENDA ITEM SUMMARY

DATE: 7/25/11 DEPARTMENT: PW - W & WW DEPT. HEAD SIGNATURE: 

SUBJECT: Introduction of proposed Water and Wastewater monthly rates and connection fees

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The attached memo outlines the revisions to the Water and Wastewater base fees, usage rates, bond payments, connection fee revisions and proposed resolution. These rates will be subject to the final budget city budget and may change slightly.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Caselle # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: Tom Hellen Phone # 788-9830 Ext 14
Comments:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)
____ City Attorney ____ Clerk / Finance Director ____ Engineer ____ Building
____ Library ____ Planning ____ Fire Dept. _____
____ Safety Committee ____ P & Z Commission ____ Police _____
____ Streets ____ Public Works, Parks ____ Mayor _____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:

Date _____

City Clerk _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: Record
Copies (all info.): _____
Instrument # _____

*Additional/Exceptional Originals to: _____
Copies (AIS only)

Draft 12-30-03

City Engineer Memo

To: Mayor Rick Davis
City Council Members

CC: Heather Dawson, City Administrator
Becky Stokes, Treasurer

From: Tom Hellen, City Engineer

Date: 7/15/2011

Re: Water & Wastewater Rates – 2011-12 Budget

I have completed my annual review of the water and wastewater monthly user charges and connection fees. I have attached spreadsheets for each department showing the proposed rate structure and connection fee basis.

With continued economic hardship in the community coupled with a necessary increase in the wastewater rates for bond compliance the proposed rates for each fund were closely examined and revised to result in a minimal increase overall for Hailey residents.

The recommended water rates show a decrease in the monthly base rate from \$8.79 to \$7.33, a 16.6% decrease, and a decrease in the bond payment from \$4.45 to \$4.35. In the rates per 1,000 gallons I am recommending the following three changes:

Decrease the rate per 1,000 gallons for the first 30,000 gallons from \$0.25 to \$0.20.

Increase the rate for 51,000 to 60,000 gallons from \$1.10 to \$1.25

Increase the rate for 61,000 to 70,000 gallons from \$1.70 to \$1.75

The first revision is recommended as rate relief for the low water use properties. The other two recommendations are intended to account for the lower base revenues by increasing rates for water use above the average historical residential use of between 40,000 – 50,000 gallons per month in July and August. Because water use is easily controlled the rise in these two rates can be minimized by residents. This is also a continuation of our goal of water conservation.

Because of the decrease in the number of new connection fees for the Wastewater replacement fund and a requirement in our bond ordinance to provide 25% excess revenue an increase in the wastewater rates is necessary. The attached rate

July 18, 2011

calculation shows an increase in the monthly base rate from \$10.52 to \$11.09, a 5.4% increase, a decrease in the bond payment from \$6.49 to \$6.43, and a 13.8% increase in the rate per 1,000 gallons from \$2.83 to \$3.22. As required by our grant for the photovoltaic system at the wastewater treatment plant the monthly base rate is reduced by \$0.02 from where it would have been. It is estimated that the photovoltaic system will save \$1,500 per year, one-half of which goes to rate relief and the other half is for continued energy improvements at the treatment plant.

To provide examples of the net cost to Hailey residents I have added a spreadsheet showing the current costs and proposed costs for different water usage.

Also attached are the spreadsheets with the calculation for connection fees. The new fees are \$3,907 for a water connection, an increase of \$153, and a wastewater connection fee of \$3,407, a \$128 increase.

The proposed Resolution is also attached for your review.

Budget Year 2011/2012 - Water

SYSTEM INCOME and EXPENSES	CURRENT BUDGET	BUDGET CHANGE	PROPOSED TOTAL
Annual Payment: Bond/Loan	\$169,031		\$169,031
Payment to Reserve Account			
Annual Fixed Operating Expenses	\$354,023	(\$22,637)	\$331,387
Annual Gallons Sold (in 1,000's)	594,453	57,772	652,225
Annual Gallons Pumped (In 1,000's)	594,453	57,772	652,225
Number of Connections	3167	71	3238
Annual Variable Operating Expenses	\$530,773	(\$15,838)	\$514,936

Proposed Monthly Base Rate (zero (0) gallons)	\$8.79	-\$1.46	\$7.33	-16.6%
Proposed Monthly Bond Payment	\$4.45	-\$0.10	\$4.35	-2.2%
Base Rate per 1,000 gallons up to 30,000 gallons	\$0.25	-\$0.05	\$0.20	-20.0%
Rate per 1,000 gallons, 31,000 to 40,000 gallons	\$0.50	\$0.00	\$0.50	0.0%
Rate per 1,000 gallons, 41,000 to 50,000 gallons	\$0.75	\$0.00	\$0.75	0.0%
Rate per 1,000 gallons, 51,000 to 60,000 gallons	\$1.10	\$0.15	\$1.25	13.6%
Rate per 1,000 gallons, 61,000 to 70,000 gallons	\$1.70	\$0.05	\$1.75	2.9%
Rate per 1,000 gallons, 71,000 to 80,000 gallons	\$2.00	\$0.00	\$2.00	0.0%
Rate per 1,000 gallons, 81,000 to 90,000 gallons	\$2.25	\$0.00	\$2.25	0.0%
Rate per 1,000 gallons, 91,000 to 100,000 gallons	\$2.50	\$0.00	\$2.50	0.0%
Rate per 1,000 gallons, 101,000 to 150,000 gallons	\$2.75	\$0.00	\$2.75	0.0%
Rate per 1,000 gallons, 151,000 and above	\$3.00	\$0.00	\$3.00	0.0%

MONTHLY USAGE (GALLONS)	MONTHLY RATE			
5,000	\$14.49	(\$1.81)	\$12.68	-12.5%
10,000	\$15.74	(\$2.06)	\$13.68	-13.1%
15,000	\$16.99	(\$2.31)	\$14.68	-13.6%
20,000	\$18.24	(\$2.56)	\$15.68	-14.0%
30,000	\$20.74	(\$3.06)	\$17.68	-14.7%
40,000	\$25.74	(\$3.06)	\$22.68	-11.9%
50,000	\$33.24	(\$3.06)	\$30.18	-9.2%
60,000	\$44.24	(\$1.56)	\$42.68	-3.5%
70,000	\$61.24	(\$1.06)	\$60.18	-1.7%
80,000	\$81.24	(\$1.06)	\$80.18	-1.3%
100,000	\$128.74	(\$1.06)	\$127.68	-0.8%
200,000	\$416.24	(\$1.06)	\$415.18	-0.3%
250,000	\$566.24	(\$1.06)	\$565.18	-0.2%
500,000	\$1,316.24	(\$1.06)	\$1,315.18	-0.1%
1,000,000	\$2,816.24	(\$1.06)	\$2,815.18	0.0%

Total Cash Requirement	\$884,796	(\$38,474)	\$846,322
Revenue	\$594,473,189	(\$593,600,717)	\$872,472
Excess (Shortage) of Revenue	\$593,588,393	(\$593,562,243)	\$26,150

Average Monthly Water Use /Customer	15,642	1,144	16,786
Average Yearly Percent of Water Loss			
Annual Replacement Cost of System			

Wastewater Rate Budget Year 2011/12

Based on Average Winter Water Use

SYSTEM INCOME and EXPENSES	CURRENT BUDGET	BUDGET CHANGE	PROPOSED TOTAL
Annual Payment: Bond/Loan	\$241,517		\$241,517
Payment to Reserve Account			
Annual Fixed Operating Expenses	\$403,178	\$53,155	\$456,333
Annual Gallons Treated (In 1,000's)	230,026	26,568	256,594
Number of Connections	3100	28	3128
Annual Income	\$1,042,318	\$102,002	\$1,144,319
Annual Variable Operating Expenses	\$726,458	\$99,715	\$826,173

5.4%
-0.9%
13.8%

Proposed Monthly Base Rate (zero (0) gallons)	\$10.52	\$0.57	\$11.09
Proposed Monthly Bond Payment	\$6.49	(\$0.06)	\$6.43
Base Rate per 1,000 gallons	\$2.83	\$0.39	\$3.22

7.9%
8.4%
8.8%
9.2%
9.5%
9.7%
10.7%
11.3%
12.0%
12.6%
13.2%
13.5%
13.7%

MONTHLY USAGE (GALLONS)	MONTHLY RATE		
5,000	\$31.16	\$2.46	\$33.62
6,000	\$33.99	\$2.85	\$36.84
7,000	\$36.82	\$3.24	\$40.06
8,000	\$39.65	\$3.63	\$43.28
9,000	\$42.48	\$4.02	\$46.50
10,000	\$45.31	\$4.41	\$49.72
15,000	\$59.46	\$6.36	\$65.82
20,000	\$73.61	\$8.31	\$81.92
30,000	\$101.91	\$12.21	\$114.12
50,000	\$158.51	\$20.01	\$178.52
100,000	\$300.01	\$39.51	\$339.52
200,000	\$583.01	\$78.51	\$661.52
500,000	\$1,432.01	\$195.51	\$1,627.52

Total Cash Requirement	\$1,129,636	\$152,869	\$1,282,505
Revenue	\$1,066,318	\$108,367	\$1,174,684
Excess (Shortage) of Revenue	(\$63,318)	(\$44,502)	(\$107,821)

Scenarios	Current WW Cost	Current W Cost	Total Monthly Bill	Proposed WW Cost	Proposed W Cost	Proposed Monthly Bill	Total % Increase
Typical Residence							
5,000 gals per month winter water usage, winter bill	\$31.16	\$14.49	\$45.65	\$33.62	\$12.68	\$46.30	1.42%
5,000 gals per month winter water usage, 20,000 gals summer usage	\$31.16	\$18.24	\$49.40	\$33.62	\$15.68	\$49.30	-0.20%
5,000 gals per month winter water usage, 50,000 gals summer usage	\$31.16	\$33.24	\$64.40	\$33.62	\$30.18	\$63.80	-0.93%
5,000 gals per month winter water usage, 75,000 gals summer usage	\$31.16	\$75.74	\$106.90	\$33.62	\$70.18	\$103.80	-2.90%
Atypical Residence							
10,000 gals per month winter water usage, winter bill	\$45.31	\$15.74	\$61.05	\$56.15	\$13.68	\$69.83	14.38%
10,000 gals per month winter water usage, 20,000 gals summer usage	\$45.31	\$18.24	\$63.55	\$56.15	\$15.68	\$71.83	13.03%
10,000 gals per month winter water usage, 50,000 gals summer usage	\$45.31	\$33.24	\$78.55	\$56.15	\$30.18	\$86.33	9.90%
10,000 gals per month winter water usage, 75,000 gals summer usage	\$45.31	\$75.74	\$121.05	\$56.15	\$70.18	\$126.33	4.36%

City of Hailey Sewer System Finances, 2011/2012

FILE: R:\QPRODDCS\4765.WB3
03/15/99 B.YEAGER

Revised: 07/06/2011
T. Hellen

Refer to Itemized Sewer System Component List

Based on Total Depreciation from 1985
--

Design Capacity of Plant=1.6mg/d
215gd per E. C. of demand from Facility Plan Update by Carollo Engineers

12,500 people w/in City Limits per Facility Plan Update by Keller
2.48 people per equivalent connection from Facility Plan Update by Keller

Design Capacity of Waste Water Treatment Plant
Design Capacity of Interceptor Sewers
Equivalent Connections to System

7440
5040
3100

Monthly User Charge
Operation and Maintenance Cost
Bond Retirement Cost
Bond Retirement Monthly User Charge

\$1,162,422
\$241,517
\$6.49

Connection Fee
Gross System Value of Treatment Plants
Gross System Value of Interceptor System

\$8,793,680
\$13,372,019

Remaining Treatment Plants Bond Principle to be retired
Remaining Interceptor System Bond Principle to be retired

\$2,249,663
\$633,764

Net Treatment Plant System Value
Net Interceptor System Value

\$6,544,017
\$12,738,255

Treatment Plant Connection Fee
Interceptor System Connection Fee

\$879.57
\$2,527.43

Total Connection Fee	\$3,407.00
-----------------------------	-------------------

Sum of both connection fees

City of Hailey Water System Finances, 2011/2012

FILE: R:\PRODCSN\4765.WB3
03/15/99 B.YEAGER

Revised: 07/06/2011
T. Hellen

Refer to Itemized Water System Component List

Based on Total Depreciation from 1985
--

Background Information		
Design Capacity of Water Supply and Storage System	5443	Design Capacity of Springs & Wells=10.8mg/d
Design Capacity of Distribution System	5040	800g/d per capita of peak demand from DEQ Standards
Equivalent Connections to System	3167	12,500 people w/in City Limits per Facility Plan Update by Keller
		2.48 people per equivalent connection from Facility Plan Update by Keller
		Equivalent Connections Currently to system by Ray Hyde
Monthly User Charge		
Operation and Maintenance Cost	\$1,041,135	Per Current Budget
Bond Retirement Cost	\$169,031	Bond Payments to be made this year
Monthly Bond Charge	\$4.45	Monthly Bond Payment
Connection Fee		
Gross System Value of Storage, Pumps & Spring System	\$8,888,521	Installation Cost of each system component carried forward by ENR CCI values
Gross System Value of Water Lines	\$13,802,851	Installation Cost of each system component carried forward by ENR CCI values
Remaining Supply System Bond Principle to be retired	\$2,182,067	
Remaining Water Line Bond Principle to be retired	\$0	
Net Storage, Pumps & Spring System Value	\$6,706,454	Gross system value minus Bonds to be retired
Net Water Line System Value	\$13,802,851	Gross system value minus Bonds to be retired
Supply System Connection Fee	\$1,232.12	Net system value divided by the design capacity
Distribution System Connection Fee	\$2,738.66	Net system value divided by the design capacity
Total Connection Fee	\$3,970.79	Sum of both connection fees

HAILEY RESOLUTION NO. 2011-21

A RESOLUTION OF THE HAILEY CITY COUNCIL APPROVING RATE ADJUSTMENTS FOR WATER AND SEWER USER FEES AND WATER AND SEWER CONNECTION FEES PURSUANT TO CHAPTER 13.04, HAILEY MUNICIPAL CODE

WHEREAS, the Mayor and the City Council of the City of Hailey have determined water conservation is a desired goal for the City of Hailey Water Department;

WHEREAS, the Mayor and the City Council of the City of Hailey have determined that establishing methods for metering water usage will assist the goal of water conservation;

WHEREAS, the Mayor and the City Council of the City of Hailey have amended Chapter 13.04 of the Hailey Municipal Code, Water and Sewer Systems, to establish procedures for determining both water and sewer user fees, and connection fees, establish new procedures and revised fees, and authorize a cross connection program;

WHEREAS, the construction and maintenance of municipal water and wastewater systems are valid proprietary functions of the City of Hailey;

WHEREAS, the mandatory connection to the municipal water and wastewater systems is a valid exercise of the police powers of the City of Hailey;

WHEREAS, the fees imposed by this resolution are segregated into separate funds and are not placed into the general fund for the City of Hailey;

WHEREAS, the connection fees imposed by this resolution are to be used for the replacement and depreciation of the water and wastewater systems, while the user fees imposed by this resolution are to be used to pay for indebtedness and general operating costs of the systems;

WHEREAS, the fees imposed by this resolution have been studied and recommended by the City Engineer and are intended to be reasonably related to the benefit conveyed to the residents of the City of Hailey;

WHEREAS, the user fees, including the meter rates, imposed by this resolution are intended to make the systems self-supporting, produce revenues for the payment of indebtedness and encourage the conservation of water;

WHEREAS, Hailey's Municipal Code Chapter 13 requires that the Hailey City Council review, and make appropriate adjustments to Hailey's water and sewer user fees, administrative fees and connection fees; and

WHEREAS, the Hailey City Council has reviewed the engineer's calculations which provide the rational basis for the establishment of water and sewer user fees and connection fees, which are established in this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY AS FOLLOWS:

Section 1. Adoption of Fees. The City Council of the City of Hailey hereby adopts the following fee schedule:

**SCHEDULE OF FEES & CHARGES
WATER & WASTEWATER**

1. Connection Fees.

Water Department: Water connection fees shall be \$3,971 per equivalent connection.

Wastewater Department: Wastewater connection fees shall be \$3,407 per equivalent connection.

2. Service Connection Inspection Fee.

Water Department: The inspection fee for a new water service connection shall be \$50.00.

Wastewater Department: The inspection fee for a new wastewater service connection shall be \$50.00.

3. Water Department User Base Monthly Charges.

Water user base monthly charge shall be \$11.68 per month, a set fee established by the Hailey City Council. The portion of that fee collected for bond reserve purposes shall be \$4.35 per connection per month. The portion of that fee for maintenance and operation shall be \$7.33 per connection per month.

4. Water Department User Monthly Charge – Non-Metered Accounts

Water user non-metered account monthly charge shall be \$46.35 per month, a set fee established by the Hailey City Council. The portion of that fee collected for bond reserve purposes shall be \$4.35 per connection per month. The portion of that fee for maintenance and operation shall be \$42.00 per connection per month.

5. Wastewater Department User Base Monthly Charges – Metered Accounts.

Wastewater user monthly charges shall total \$17.52 per month, a set fee established by the Hailey City Council. The portion of that fee collected for bond retirement purposes shall be \$6.43 per connection per month. The portion of that fee for system maintenance and operation shall be \$11.09 per connection per month.

6. Wastewater Department User Base Monthly Charges – Residential Non-Metered Accounts.

New construction residential Wastewater user monthly charges shall total \$36.84 per month, a set fee established by the Hailey City Council. The portion of that fee collected for bond retirement purposes shall be \$6.43 per connection per month. The portion of that fee for system maintenance and operation shall be \$30.41 per connection per month.

7. Metered Charge - Water. The Water user metered charge shall be as follows:

a. Single Family Residence

Base Rate per 1,000 gallons up to 30,000 gallons	\$0.20
Rate per 1,000 gallons, 31,000 to 40,000 gallons	\$0.50
Rate per 1,000 gallons, 41,000 to 50,000 gallons	\$0.75
Rate per 1,000 gallons, 51,000 to 60,000 gallons	\$1.25
Rate per 1,000 gallons, 61,000 to 70,000 gallons	\$1.75
Rate per 1,000 gallons, 71,000 to 80,000 gallons	\$2.00
Rate per 1,000 gallons, 81,000 to 90,000 gallons	\$2.25
Rate per 1,000 gallons, 91,000 to 100,000 gallons	\$2.50
Rate per 1,000 gallons, 101,000 to 150,000 gallons	\$2.75
Rate per 1,000 gallons, 151,000 and above	\$3.00

b. Commercial

Base Rate per 1,000 gallons up to 30,000 gallons	\$0.20
Rate per 1,000 gallons, 31,000 to 40,000 gallons	\$0.50
Rate per 1,000 gallons, 41,000 to 50,000 gallons	\$0.75
Rate per 1,000 gallons, 51,000 to 60,000 gallons	\$1.25
Rate per 1,000 gallons, 61,000 to 70,000 gallons	\$1.75
Rate per 1,000 gallons, 71,000 to 80,000 gallons	\$2.00
Rate per 1,000 gallons, 81,000 to 90,000 gallons	\$2.25
Rate per 1,000 gallons, 91,000 to 100,000 gallons	\$2.50
Rate per 1,000 gallons, 101,000 to 150,000 gallons	\$2.75
Rate per 1,000 gallons, 151,000 and above	\$3.00

c. Multi-Family (Per Unit)

Base Rate per 1,000 gallons up to 30,000 gallons	\$0.20
Rate per 1,000 gallons, 31,000 to 40,000 gallons	\$0.50
Rate per 1,000 gallons, 41,000 to 50,000 gallons	\$0.75
Rate per 1,000 gallons, 51,000 to 60,000 gallons	\$1.25
Rate per 1,000 gallons, 61,000 to 70,000 gallons	\$1.75
Rate per 1,000 gallons, 71,000 to 80,000 gallons	\$2.00
Rate per 1,000 gallons, 81,000 to 90,000 gallons	\$2.25
Rate per 1,000 gallons, 91,000 to 100,000 gallons	\$2.50
Rate per 1,000 gallons, 101,000 to 150,000 gallons	\$2.75
Rate per 1,000 gallons, 151,000 and above	\$3.00

d. Irrigation Charge (For separate irrigation accounts):

Base Rate per 1,000 gallons up to 30,000 gallons	\$0.20
Rate per 1,000 gallons, 31,000 to 40,000 gallons	\$0.50
Rate per 1,000 gallons, 41,000 to 50,000 gallons	\$0.75

Rate per 1,000 gallons, 51,000 to 60,000 gallons	\$1.25
Rate per 1,000 gallons, 61,000 to 70,000 gallons	\$1.75
Rate per 1,000 gallons, 71,000 to 80,000 gallons	\$2.00
Rate per 1,000 gallons, 81,000 to 90,000 gallons	\$2.25
Rate per 1,000 gallons, 91,000 to 100,000 gallons	\$2.50
Rate per 1,000 gallons, 101,000 to 150,000 gallons	\$2.75
Rate per 1,000 gallons, 151,000 and above	\$3.00

8. Metered Charge – Wastewater. The Wastewater use metered charge shall be as follows:

a. <u>Single Family Residence</u>	
Rate per 1,000 gallons	\$3.22
c. <u>Commercial</u>	
Rate per 1,000 gallons	\$3.22
c. <u>Multi-Family</u>	
Rate per 1,000 gallons	\$3.22

9. Reduction in Water and Wastewater User Base Charges.

Water Charges: Water user base charge for persons qualifying under Hailey Municipal Code Section 13.04.130(C) shall be \$7.28 per month. The portion of that fee collected for bond reserve purposes shall be \$4.35 per month and for maintenance and operation shall be \$2.93 per month.

Wastewater Charges: Wastewater user base charge for persons qualifying under Hailey Municipal Code Section 13.04.130(C) shall be \$10.87 per month. The portion of that fee collected for bond retirement purposes shall be \$6.43 per month. The portion of that fee for system maintenance and operation shall be \$4.44 per month.

10. Private Water and Wastewater System Inspection Fee.

Water Department: The inspection fee for a new private water system shall be \$50.00.

Wastewater Department: The inspection fee for a new private wastewater system shall be \$50.00.

11. Administrative Fees.

Discontinuance Administrative Fee – Non-payment: The Administrative fee for a discontinuance notice shall be \$37.50.

Recommencement Fee – Non-payment: The Recommencement fee for recommencing a service terminated for non-payment shall be \$37.50.

Owner Requested Discontinuance Fee: The fee for an owner requested discontinuance of service shall be \$37.50.

Owner Requested Recommencement Fee: The fee for an owner requested recommencement of service shall be \$37.50.

Water Conservation Violation Discontinuance Fee: The discontinuance fee for violating Hailey Municipal Code Section 13.08.010 shall be \$50.00.

Water Conservation Violation Recommencement Fee: The recommencement fee for violating Hailey Municipal Code Section 13.08.010 shall be \$50.00.

Insufficient Funds Fee: The insufficient funds fee for a utility payment shall be \$20.00.

12. Administrative Waiver of Fees

Customers, who in the last five years have had no payment delinquencies, discontinuance notices or insufficient fund fees, may request and administrative staff may approve a reversal of an insufficient funds fee.

Section 2. Effective Date. The fees adopted by this Resolution shall be effective on September 28, 2011.

Passed this _____ day of July, 2011.

Rick Davis, Mayor, City of Hailey

ATTEST:

Mary Cone, City Clerk

1. The first part of the document discusses the importance of maintaining accurate records of all transactions.

2. It then goes on to describe the various methods used to collect and analyze data.

3. The next section details the results of the study, showing a clear trend in the data.

4. Finally, the document concludes with a summary of the findings and some suggestions for future research.

5. The overall conclusion is that the data strongly supports the hypothesis that was tested.

6. This research provides valuable insights into the complex relationship between the variables studied.

7. The findings have significant implications for the field of study and may lead to new discoveries.

8. It is hoped that this work will contribute to a better understanding of the phenomena being investigated.

9. The author would like to thank the many people who assisted in the completion of this project.

10. This document is a preliminary report and is subject to change as more data is collected.

11. The information presented here is for informational purposes only and should not be used for legal or financial advice.

12. For more information, please contact the author at the address listed below.

13. The author's contact information is provided at the end of the document.

14. This document is the property of the author and is not to be distributed without their permission.

15. The author reserves the right to make changes to this document at any time without notice.

16. The information in this document is confidential and should be kept secure.

17. The author is not responsible for any errors or omissions in this document.

AGENDA ITEM SUMMARY

DATE: 7/25/2011

DEPARTMENT: Legal

DEPT. HEAD SIGNATURE: 

SUBJECT:

Amended and Restated Joint Powers Agreement

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

I am enclosing a slightly revised version of the Amended and Restated Joint Powers Agreement which shows the signature of the mayor and all of the county commissioners. Hailey previously approved the agreement and authorized the mayor to sign. Since then the county has revised the agreement to correct two typos and to make a revision requested by Barry Luboviski. The attached version contains the three revisions, which are described as follows:

1. Page 10, Section 7.4(A) - "at" was added so that the sentence now reads "A quorum shall consist of at least two (2) City members"
2. Page 11, Section 7.5(A) - "to" was added so that the sentence now reads "make decisions and exercise all powers with respect to the Existing Airport"
3. The Luboviski Request: Page 8, second paragraph of 5.1 - "first" was removed and the sentence now read "On or before the second Tuesday in August, annually"

Ned

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Case # _____
 Budget Line Item # _____ YTD Line Item Balance \$ _____
 Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
 Staff Contact: _____ Phone # _____
 Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	_____
___ Safety Committee	___ P & Z Commission	___ Police	_____
___ Streets	___ Public Works, Parks	___ Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Make a motion to ratify the signature of the mayor on this version of the Amended and Restated Joint Powers Agreement.

FOLLOW-UP REMARKS:

AMENDED AND RESTATED JOINT POWERS AGREEMENT

Friedman Memorial Airport Authority

THIS AMENDED AND RESTATED JOINT POWERS AGREEMENT ("Agreement") is made effective upon its execution between BLAINE COUNTY, a political subdivision of the State of Idaho (the "County"), and THE CITY OF HAILEY, an Idaho municipal corporation located within the County (the "City").

RECITALS

WHEREAS, the County and the City entered into a Joint Powers Agreement dated May 16, 1994 (the "1994 Agreement") which 1994 Agreement has been amended on several occasions; and

WHEREAS, the County and the City have jointly operated and are currently and jointly operating an airport known as the Friedman Memorial Airport located within the City and County (the "Existing Airport"); and

WHEREAS, an airport is of critical importance to the economy of the County and the City, and, as pressure for use of the Existing Airport reaches the physical limits of the Existing Airport, the County and the City have, since the adoption of the Master Plan, decided to seek a replacement site for Existing Airport facilities away from urban populations rather than expanding the Existing Airport; and

WHEREAS the Existing Airport operates under a temporary operating procedure, revocable at any time and created to accommodate certain aircraft while a Replacement Airport is pursued; and, the Existing Airport cannot comply with C-III design standards without expanding the Existing Airport; and

WHEREAS, the Existing Airport cannot permanently comply with FAA design standards without significantly expanding the Existing Airport; and

WHEREAS, the County and the City have agreed not to expand the Existing Airport; and

WHEREAS, the County and the City seek the highest quality and safest airport possible within the physical limits imposed by the geography of the Existing Airport location; and

WHEREAS, Idaho Code Section 67-2328 expressly authorizes public entities to create a separate legal or administrative entity to exercise powers possessed by the public agencies creating such entity; and

WHEREAS, the County and the City have determined that it is in the best interests of the County and the City, and their inhabitants, to continue managing and operating the Existing Airport under the Authority while reconstituting the Board of the Authority during the time that the County and City are seeking a replacement site for the Existing Airport facilities; and

WHEREAS, a Replacement Airport is being planned to be located in the County and it is the intent of the parties that the Existing Airport will permanently be closed and sold when the Replacement Airport is operational; and

WHEREAS, the City and County previously agreed in a July 6, 2010 Agreement for Development of Replacement Airport and Redevelopment of Friedman Memorial Airport to transition to a restructured governing board, which will be accomplished by this Agreement; and

WHEREAS, the County and the City accordingly wish to amend their prior joint powers agreements, while restating pertinent provisions of their prior joint powers agreements;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties agree:

ARTICLE I

DEFINITIONS, PURPOSE, AND AUTHORITY

Section 1.1: DEFINITIONS

For purposes of this Agreement, the following terms shall have the following definitions:

Agreement means this Amended and Restated Joint Powers Agreement, dated as of the execution date.

Authority means the Friedman Memorial Airport Authority created under Section 3.1 of this Agreement.

Authority Board means the Board of Commissioners of the Authority, created under Section 3.2 and reconstituted under Section 7 of this Agreement.

City means the City of Hailey, Blaine County, Idaho.

City Council means the City Council of the City.

Commercial means regularly-scheduled airline activities.

County means Blaine County, Idaho.

County Commissioners means the three member Board of County Commissioners for Blaine County, Idaho.

Existing Airport means the Friedman Memorial Airport, located in the City as it exists on the effective date of this Agreement.

FAA means the Federal Aviation Administration of the U.S. Department of Transportation.

Friedman Grant Property means the real property conveyed by deed recorded in Book 128, page 213, records of the County Recorder, Blaine County, Idaho, to the City by Leon Friedman, et al., for airport purposes.

Joint Decision Matter means any matter involving the exercise of one of the enumerated powers under Section 4.1 of this Agreement with respect to the Existing Airport.

Master Plan means the Friedman Memorial Airport Master Plan Update, 1991, or its successor.

Replacement Airport means the airport currently being planned to be entirely located outside the city limits of the City and that, when operational, will replace the Existing Airport. Replacement Airport shall be independent of and separate from the Existing Airport.

Section 1.2: PURPOSE

The purpose of this Agreement is (1) to amend and restate pertinent provisions of the 1994 Agreement creating an Authority for the management and operation of certain airport activity in the County, including the Existing Airport, (2) to eliminate safety deviations without expanding the impact of the Existing Airport on the adjacent community, (3) to implement the Master Plan, and (4) to plan for, establish and operate the Replacement Airport.

Section 1.3: AUTHORITY

This Agreement is entered into under the authority of Title 21, Chapter 4, and Sections 67-2326 through 67-2333, Idaho Code.

ARTICLE II

DURATION, AMENDMENT, AND TERMINATION

Section 2.1: DURATION

The term of this Agreement shall commence May 16, 1994 and terminate on December 31, 2020, unless earlier terminated in accordance with Section 2.3 below.

Section 2.2: AMENDMENT

The County and the City reserve the right to amend this Agreement at any time by written agreement between the County and the City, provided, that no amendment shall violate or impair any then-existing contractual obligation relating to the Existing Airport or the Replacement Airport.

Section 2.3: TERMINATION

A. Before Closure of Existing Airport. The County and City reserve the right to terminate this Agreement, by mutual written agreement between the County and the City, at any

time prior to its stated termination date. In the event of such termination, or upon the stated expiration hereof, any then-existing valid contractual obligations of the Authority shall become joint obligations of the County and City, unless the obligations are assigned or transferred consistent with Section 6.1(H) hereof.

B. After Closure of Existing Airport. Following notification by FAA that the Existing Airport has been permanently closed to all air traffic, this Agreement shall be terminated 1) either ten days after the recording of a deed conveying the last parcel of Existing Airport real property to a third party, or one year after execution of an irrevocable purchase and sale agreement for the last parcel of the Existing Airport property, whichever event is earlier, or 2) by mutual written agreement between the County and the City, at any time prior to its stated termination date, whichever is sooner.

ARTICLE III

CREATION OF AIRPORT AUTHORITY

Section 3.1: AIRPORT AUTHORITY

There is hereby created a separate administrative entity, pursuant to Section 67-2328, Idaho Code, to be known as the Friedman Memorial Airport Authority (the "Authority"). The Authority shall be a public entity of the State of Idaho with the powers set forth in this Agreement.

Section 3.2: GOVERNING BOARD

Except as provided in Article VII below, the Authority shall be governed by a board of commissioners (the "Authority Board") consisting of five (5) members, to be appointed as follows: two (2) members shall be appointed by the County. Two (2) members shall be appointed by the City. The members so appointed may, but need not, be members of the governing board of the appointing entity. One (1) member shall be appointed by unanimous vote of the four thus appointed. Members shall initially be compensated at a salary of \$200 per month, and shall be reimbursed for their actual, documented expenses under such rules and procedures as the Authority Board may establish. Commencing one (1) year after the initial organization of the Authority Board, the Authority Board may annually establish the compensation for its members; provided, that the City and County, by joint action of their respective governing bodies taken within thirty (30) days after such action by the Authority Board, may veto any increase in compensation. The effect of such veto shall be to maintain the current compensation in force and effect.

Section 3.3: TERMS OF OFFICE

Of the members of the Authority Board appointed by the County and the City, one (1) shall be appointed to a one-year term, and one (1) shall be appointed to a two-year term, commencing on June 1st of the year of their appointment. Thereafter, members shall be appointed to two-year terms. The member appointed by the four members of the Authority Board (the "Independent Member") shall serve a two-year term commencing on the date of appointment of the year of appointment. Any member may be removed by the entity originally

appointing such member, except the Independent Member, who may be removed only by the unanimous vote of the remaining Authority Board members. Any vacancy shall be filled by the entity which originally appointed such member to fill the unexpired term.

Section 3.4: OFFICERS

The Authority Board shall designate one (1) of its members as Chairman, one (1) as vice-chairman, one (1) as secretary, and shall appoint a treasurer who need not be a member of the Authority Board, any of whom may be removed in the manner provided in the bylaws of the Authority Board. The Authority Board may appoint other officers as it deems necessary.

Section 3.5: BYLAWS, MEETINGS

The Authority Board shall adopt bylaws for its own operation and shall establish such regular meeting dates (which shall not be less frequent than monthly) and times as it shall deem necessary. Except as provided in Article VII, below, any four (4) members of the Authority Board shall constitute a quorum, and a majority of the quorum present shall be sufficient to take any action. Regular and special meetings of the Authority Board shall be conducted in compliance with Sections 67-2340 through 67-2347, Idaho Code.

ARTICLE IV

POWERS OF THE AUTHORITY

Section 4.1: POWERS

In addition to any other powers set forth in this Agreement, the Authority Board of the Authority shall have and may exercise the following powers in the name of the Authority with respect to the Existing Airport and the Replacement Airport:

1. To sue and be sued in its own name.
2. To adopt an official seal and alter the same at pleasure.
3. To authorize any action by motion, resolution, or other official action.
4. To promulgate and adopt all necessary rules and regulations for the management and control of airport property including, but not limited to, landing and takeoff areas (including runways and landing strips for aircraft); taxiway areas for aircraft; passenger and cargo ramp areas and facilities; aircraft parking areas and facilities; facilities for the purpose of controlling or assisting landings, takeoffs, and other movements of aircraft using the airport, including, without limitation, control towers, flood lights, landing lights, beacons, signals, radio aids, and other conveniences and aids to operation, navigation, or ground control of aircraft; automobile parking; airport terminal; aircraft tie-downs and hangars; hours and days of operation and all rules and regulations necessary for the safe, effective, and efficient operation of all airport facilities.
5. To order, direct, superintend, and manage all repairs, alterations, and improvements.

6. To lease land from the County and the City and to acquire, construct, or lease buildings, structures, facilities, and equipment as it may deem necessary to fulfill its duties. Such lease arrangements are not to exceed ten dollars (\$10) per year. Real and personal property shall be conveyed or disposed in conformance with Paragraphs 4.2(D), and (E) of this Agreement.

7. To acquire in the name of the Authority, by gift or purchase, or by lease, such personal property as it may deem necessary in connection with the improvement, extension, enlargement, or operation of airport facilities, and to sell, convey, lease, or dispose of any personal property, in accordance with the statutory requirements applicable to counties, upon such terms and conditions and for such consideration as the Authority Board deems appropriate.

8. To enter into contracts and agreements, cooperative and otherwise, affecting the affairs of the airport, the state and any of its agencies or instrumentalities, any corporation or person, public or private, any municipality, and any political or governmental subdivision, within or without the state, and to cooperate with any one (1) or more of them in acquiring, constructing, operating, or maintaining the airport.

9. To receive moneys and property from the County or the City and to receive gifts, grants, and donations of money or property from any person or entity, to expend or utilize the same for the purposes of the Authority, to deposit moneys in accordance with the public depository laws of the state, and to invest moneys of the Authority in investments permitted under Sections 67-1210 and 67-1210A, Idaho Code.

10. To borrow money and incur indebtedness, not exceeding the budgeted revenues and expenses for the then-current fiscal year of the Authority, and not exceeding any Constitutional limitations or limitations of state law, and to evidence the same by notes, warrants, or other evidence of indebtedness.

11. To manage, control and supervise all the business and affairs of the airport.

12. To hire an airport manager and necessary employees, who shall serve at the pleasure of the Authority Board. Compensation for the airport manager shall be fixed annually by the Board during the normal budget process.

13. To retain and compensate agents, engineers, and consultants.

14. To retain or employ regular legal counsel, and to retain such special legal counsel as may be deemed necessary.

15. To fix, periodically increase or decrease, and collect rates, fees, tolls, or charges for the use or availability of the facilities of the airport.

16. To maintain civil actions for the abatement of any violation of any of the Authority's rules, regulations, or standards.

17. To insure airport property and to enter into contracts for insurance, including, but not limited to, liability insurance.

18. To maintain and administer recordkeeping and management functions.

19. To exercise all or any part or combination of the powers set forth in this Agreement, and to do all things necessary or incidental to the proper operation of this Agreement.

20. Except as provided in Section 7.5, to take such actions as necessary to plan, secure approvals for, construct and operate the Replacement Airport on a site outside the city limits of the City and to remediate and dispose of the site of the Existing Airport.

Section 4.2: LIMITATIONS ON POWERS

A. Nothing in the foregoing enumerations of powers shall be construed as authorizing the Authority Board (1) to create any legal, contractual, fiscal, or tort obligation binding upon the County or the City, or (2) to incur any indebtedness or liability in excess of the limits or authority provided by state law and the state Constitution.

B. The Authority shall have no power to levy or cause to be levied any taxes or to require the County or the City to levy any taxes.

C. The operation of the Existing Airport by the Authority shall be subject to existing leases, rights, contracts, assurances, and privileges heretofore granted by the City and County.

D. All land owned by the County or the City (except the Friedman Grant Property), or by the County and City jointly, and devoted to use for the Existing Airport as of the date of this Agreement (as depicted on attached **Exhibit "A"**), shall be conveyed to the Authority for the use and benefit of the Existing Airport, as well as the construction and funding of the Replacement Airport. Any land owned solely by the County or the City shall be conveyed to the Authority in accordance with this Section 4.2(D) with a reversionary right allowing title of the land to revert to the County (in the case of County land) or the City (in the case of City land) upon both i) the Conclusion of Planning as defined in Section 7.7(A) of this Agreement, and ii) expiration of any grant assurances requiring continued aviation operations at the Existing Airport. Any land hereafter acquired for Existing Airport purposes shall, to the extent consistent with FAA regulations, be acquired by, and title thereto shall be held in the name of, the Authority. Land for the Replacement Airport shall be acquired in the name of the Authority. The Authority may convey or dispose of land at both Existing Airport and/or the Replacement Airport in a manner that facilitates the permanent closure of the Existing Airport, as well as the construction and funding of the Replacement Airport.

E. All buildings, improvements, facilities, equipment, and personal property now in use on the Existing Airport shall be conveyed by the County and the City to the Authority for the use and benefit of the Existing Airport, and the title thereto shall be held by the Authority. The Authority may convey or dispose of all buildings, improvements, facilities, equipment, and personal property at both the Existing Airport and/or the Replacement Airport in a manner that facilitates the permanent closure of the Existing Airport, as well as the construction and funding of the Replacement Airport.

F. In addition to the foregoing limitations, the Authority shall be bound and limited by the covenants and restrictions set forth in Article VI of this Agreement and the limitations set forth in Article VII of this Agreement.

ARTICLE V

FINANCE AND BUDGET

Section 5.1: ANNUAL BUDGET

The fiscal year of the Authority shall commence on October 1 of each year and shall end on September 30 of the following year. The Authority Board shall prepare a preliminary annual budget for each fiscal year, showing the anticipated revenues and expenditures, which budget shall be adopted as set forth hereinafter. If the preliminary budget provides for a revenue request from the County or the City, the preliminary budget shall be certified to the County or the City prior to the publication of the preliminary budget of the County and the City. Nothing herein shall be construed as obligating the County or the City to grant such revenue request.

On or before the second Tuesday in August, annually, there shall be held at a time and place determined by the Board a meeting and public hearing upon the proposed budget of the Authority. Notice of the meeting and public hearing shall be published in a newspaper of general circulation in the County in one (1) issue thereof. The place, hour, and day of such hearing shall be specified in said notice, as well as the place where such budget may be examined prior to such hearing. A summary of such proposed budget shall be published with and as a part of the publication of such notice of hearing in substantially the form required in Section 31-1604, Idaho Code. On or before August 15 of each year, a budget for the Authority shall be approved by the Authority Board.

Section 5.2: AIRPORT FUNDS

The Authority shall establish such fund or funds for the deposit and expenditure of airport moneys as it deems necessary or appropriate, consistent with generally accepted municipal accounting practices, and shall provide for the manner of expenditure of funds. All moneys held in airport funds by the County or the City shall be transferred to the funds of the Authority. The Authority Board shall require the annual audit of all airport funds by an independent auditor and shall provide copies of each annual audit to the County and the City.

ARTICLE VI

COVENANTS AND RESTRICTIONS

Section 6.1: The Authority shall comply with the following covenants and restrictions regarding operation of the Existing Airport. All capitalized terms shall have the meanings assigned thereto in the Master Plan, except as otherwise defined in this Agreement. The covenants and restrictions concerning airport operations shall not apply to the Replacement Airport.

A. There shall be no expansion of the land base of the Existing Airport beyond what has been established by the Master Plan.

B. Commercial airline activity shall be permitted to remain at current levels and increases in the number and frequency of such flights shall be accommodated within the other limitations contained herein and as delineated by the Master Plan.

C. Aviation activities (as defined in the Master Plan) will be requested to observe a curfew between 11:00 P.M. and 6:00 A.M. Additional restrictions to operations, based on Part 150, City ordinances, and airport planning activities initiated prior to promulgation of Part 161, may be imposed on decibels and hours of operation.

D. The number of tie-downs available for locally based tiedowns shall be a minimum of 66, at Master Plan completion, provided that the current number of transient tie-downs shall not be reduced.

E. The Design Aircraft Classification shall remain the equivalent of a B III level or its successor aircraft (as such terms are defined in the Master Plan).

F. To the extent possible, consistent with FAA regulations, landings from, or take-offs to, the north shall be restricted.

G. The Authority shall obtain and maintain property damage and comprehensive liability insurance in amounts sufficient to protect the airport property and to insure the County, the City, and the airport against tort and other damage claims. The amount of insurance shall be subject to approval annually by the County and the City, which approval shall not unreasonably be withheld.

H. No later than January 1, 2012, the Authority, in cooperation with the City and the County, will take actions as appropriate to secure approval from the Federal Aviation Administration for the transfer to the Authority of any grant assurance obligations to the Federal Aviation Administration incurred by the City and by the County in connection with the operation and development of the Existing Airport. As part of such transfer of obligations, the Authority agrees to accept the City's and the County's existing grant obligations with regard to the Existing Airport. In addition, the Authority agrees to accept the future grant assurance obligations with regard to the Replacement Airport. The Authority, City and County agree that as part of the acceptance by the Authority of any past or future grant assurances, the City and the County will to the extent allowed by law be released from any and all of their obligations associated with the grant assurances.

I. The Authority, City and the County shall sell their real property interests in the Existing Airport site in a manner that ensures that an airport cannot continue to operate on the Existing Airport site as a non-conforming use after the opening of the Replacement Airport, and will file appropriate affidavits of withdrawn use in a manner consistent with Idaho Code § 67-6538, and commit to convey title to the real and personal property at the Existing Airport to be held by the Authority as described in Sections 4.2(D) and (E) in an orderly and expeditious manner to facilitate financing of the Replacement Airport.

ARTICLE VII

POWERS AND OPERATION DURING PLANNING FOR A REPLACEMENT AIRPORT

Section 7.1 PLANNING PERIOD

Notwithstanding anything to the contrary in this Agreement, this Article VII shall apply from the date of execution of this Agreement until the Conclusion of Planning, as defined in Section 7.7.

Section 7.2 GOVERNING BOARD; VOTING

Except as otherwise provided herein, the Authority Board shall be reconstituted to consist of the following members: the three (3) members to be appointed by the County Commissioners of the County; three (3) members to be appointed by the City Council; and one (1) member to be appointed by unanimous vote of the other six (6) Authority Board members (the "Independent Member").

Section 7.3 TERMS OF OFFICE

The members of the Authority Board that are appointed by the City Council or the County Commissioners shall serve for such period as may be determined by the City Council or the County Commissioners, as the case may be, from time to time. The Independent Member shall serve a two-year term commencing on January 1 of the year of appointment. Any member may be removed, and any vacancy filled, by the entity originally appointing such member, except the Independent Member, who may be removed only by the unanimous vote of the remaining Authority Board members.

Section 7.4 QUORUM/PARTICIPATION

A. Quorum. A quorum for all decisions to conduct business, except for Joint Decision Matters, shall consist of at least two (2) County members of the Authority Board. For Joint Decision Matters described in Sections 7.5(A), 7.5(B)(1) and 7.5(B)(2), a quorum shall consist of at least two (2) City members of the Authority Board and at least two (2) County members of the Authority Board.

B. Participation. Except as otherwise provided herein, any member in attendance at a meeting, regardless of their voting status, shall be entitled to participate fully in the discussions and deliberations of any matter that comes before the Authority Board. Following notification by FAA that the Existing Airport has been permanently closed to all air traffic, the City members and the Independent Member of the Authority Board shall not be entitled to participate as an Authority Board member in the discussions and deliberations of any matter that comes before the Authority Board except for decisions described in Sections 7.5(B)(1) and (2).

Section 7.5 DELIBERATIONS AND DECISIONS

A. Before Closure of Existing Airport. Before notification by FAA that the Existing Airport has been permanently closed to all air traffic, all members of the Authority Board shall be entitled to deliberate, make decisions and exercise all powers with respect to the Existing Airport, as a Joint Decision Matter, but only the County members of the Authority Board shall be entitled to deliberate, make decisions and exercise all powers with respect to the Replacement Airport for all other matters which come before the Authority Board. To the greatest extent possible, the Authority Chair and Authority staff shall work cooperatively to delineate and separate matters pertaining to the Existing Airport from those involving the Replacement Airport.

B. After Closure of Existing Airport. Following notification by FAA that the Existing Airport has been permanently closed to all air traffic, only the County members of the Authority Board shall be entitled to deliberate and make decisions with respect to any matter that comes before the Authority Board, except for the following Joint Decision Matters, in which case all members of the Authority Board shall be entitled to deliberate and make a decision:

1. A decision to sell or enter into a contract to sell any real estate on the Existing Airport and all decisions incidental thereto consistent with section 6.1(I) and the need for expeditious action to fulfill the purposes of Section 6.1(I); and
2. A decision to authorize funding for, or implementation of, environmental remediation at the Existing Airport site.

To the greatest extent possible, the Authority Chair and Authority staff shall work cooperatively to delineate and separate the matters set forth in (1) and (2) above from all other matters coming before the Authority Board. For purposes of making any Authority decisions except those listed (1) and (2) above, the County Commissioners may reconstitute the Authority Board as it sees fit.

C. Pursuant to the July 6, 2010 Agreement for Development of Replacement Airport and Redevelopment of Friedman Memorial Airport, the City has primary responsibility for (i) addressing land ownership issues and developing the strategy for redeveloping the Existing Airport site as a unified redevelopment effort; (ii) negotiating with the Friedman family interests; (iii) public outreach to develop a master plan for redevelopment of the Existing Airport site; (iv) preparing a master plan for redevelopment; (v) issuing all of the permits and City authorizations necessary to comply with the City's development regulations for redevelopment of the Existing Airport; and (vi) implementing the master plan and determining the phasing and timing of the development.

D. Prior to closure of the Existing Airport, either party may require joint negotiation, development, and execution of a plan setting forth criteria for the sale of real estate on the Existing Airport site. Such criteria shall insure that the real estate is sold in a manner that optimizes revenue potential for funding of the Replacement Airport while remaining sensitive to the planning needs of the City.

Section 7.6 MATTERS REQUIRING JOINT DECISION

In the event the Authority Board wishes to consider a resolution, motion or other action that is a Joint Decision Matter described in Sections 7.5(A), 7.5(B)(1) and 7.5(B)(2), the agenda for the meeting at which the matter is to be considered shall so indicate. All Authority Board members in attendance shall be entitled to vote on such a Joint Decision Matter. Any such Joint Decision Matter can be approved only by a majority consisting of at least two (2) City members of the Authority Board and at least two (2) County Commissioner members of the Authority Board.

Section 7.7 CONCLUSION OF PLANNING

This Article VII shall be deemed to have been rescinded upon the Conclusion of Planning which is defined as the first of the following events:

- A. Ten (10) days after the Authority Board has voted to terminate all efforts to relocate the Existing Airport to a new site. Such a determination will not be treated as a Joint Decision Matter.
- B. Upon mutual consent of the City and the County.

If this Article VII is rescinded pursuant to this Section, membership on and procedure for the Authority Board shall revert to that described in Article III.

ARTICLE VIII

MISCELLANEOUS

Section 8.1: TERMINATION OF PRIOR AGREEMENTS

All prior joint powers agreements relating to the joint operation of the Existing Airport are hereby terminated and superseded by this Agreement. Nothing herein shall be construed as impairing any existing contract obligations, all of which obligations shall continue in force and effect in accordance with their terms as obligations of the Authority. In the event of a conflict between this Agreement and any prior Memorandum of Understanding or other Agreement between the parties, the stated and agreed upon provisions of this Agreement shall control.

Section 8.2: ENFORCEMENT OF RULES AND REGULATIONS

In addition to the Authority Board's powers to enforce Existing Airport rules and regulations by civil action, the City may, by ordinance, provide that the violation of any such rule or regulation shall be a misdemeanor and may provide for the enforcement of the same.

Section 8.3: INVALIDITY

If any section of this Agreement is declared invalid by a court of competent jurisdiction, or if the FAA refuses to honor this Agreement or any portion thereof, either party may terminate

this Agreement within 60 days of such declaration of invalidity by written notice to the other party.

Section 8.4: EFFECTIVE DATE

The Agreement shall be in full force and effect from and after the date on which the last party executes this Agreement.

BLAINE COUNTY, IDAHO

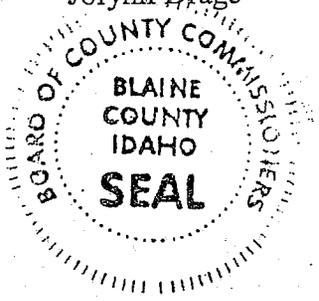
By: Angie McCleary
Angenie McCleary, Chairman

Tom Bowman
Tom Bowman, Commissioner

Lawrence Schoen
Lawrence Schoen, Commissioner

BLAINE COUNTY CLERK

By: Jolynn Drage
Jolynn Drage



CITY OF HAILEY
Blaine County, Idaho

By: Richard L. Davis
Richard L. Davis, Mayor

ATTEST:

Mary Cone
Mary Cone, City Clerk

Approved By:

AUTHORITY

By: _____
Tom Bowman, Chairman

