

STAFF REPORT

TO: Hailey City Council
FROM: Becky Stokes, Treasurer
DATE: September 23, 2009
RE: Auditor RFP results



Periodically, to operate as effectively as possible, be good stewards of our citizens' funds and gain insight into our operations, we look into changing auditors. (We are not dissatisfied with our current auditors.) In August, we requested proposals from accounting firms throughout the state for our annual audit. RFP documents were mailed to 32 different firms; eight were submitted, none from local CPAs (government audit accreditation is more specific than general tax work). The proposed cost of the audit ranged from \$8,000 to \$20,000 annually. The 2008 audit cost \$12,900; the prior auditor charged \$14,000 for the 2005 audit.

The top three submissions are attached; they are Dennis R Brown, CPA (Twin Falls), Deaton & Company (Pocatello) and HCM Holmstead (Twin Falls). The auditor proposals were review by Heather Dawson, Mary Cone, Shellie Gallagher and I. (Shellie has been working as a "temp" with years of experience as a deputy treasurer in various municipalities.) A copy of the Audit RFP Recap and Analysis is attached, on which we summarized the applicants (the detail for the preferred four is included for your review).

My recommendation is to use Dennis R. Brown. His proposal is the lease costly and he comes highly recommended by the City of Ketchum as well as the City of Carey. His is a very small operation, currently consisting of only himself and staff (qualified bookkeepers to help test and support his audit and tax work). There are pros and cons to utilizing a small office for such important work; continuity and consistency are vital and a small office will deliver. My primary concern with a "one man show" is in case of illness or other event. In January his son will join him, which allays this concerns.

Deaton & Co, Chartered and HCM Holmstead (auditors for 2006,7 & 8) were the other two favorites, whose qualifications, references, format and value were noteworthy. Their RFPs have been included for your review and potential discussion.

The RFPs have been presented in the form of agreement, which may be signed by the Mayor for the 9/30/09 audit process.

I welcome any questions and concerns
Becky

AUDIT RFP RECAP AND ANALYSIS

NAME OF FIRM	DENNIS R. BROWN	DEATON & CO, CHARTERED	HOLMSTEAD	CONDIE STOKER
SUBMITTED BY	Dennis Brown	Doran Lambson	Scott Hunsaker	Curtis Stoker
DATE RECEIVED	9/3/2009	9/3/2009	9/18/2009	9/15/2009
PHONE NUMBER	733-1161	232-5825	734-2077	436-9911
# YEARS LOCAL GOVERNMENT AUDITS	Brown 22 yrs audit	Clark has 33 yrs audit exp.	75 yrs combined	47 years combined for partners
# CLIENTS	12 gov/501c3	6 govts listed	22 gov/501c3	18 govts
LOCAL GOVERNMENT REFERENCES-1	Ketchum	Pocatello	Sun Valley	Blaine County
LOCAL GOVERNMENT REFERENCES-2	Carey	Chubbuck	Twin Falls	City of Rupert
LOCAL GOVERNMENT REFERENCES-3	2 taxing districts, 2 US go't agencies	Preston	Elmore County	Jerome county
Experience of: PARTNERS	Sole Proprietor; 29 yrs CPA, 22 as auditor	Resume of Clark & Lambson incl	4 CPA partners, 7 ad'l CPAs, 7 staff	Bios supplied for Stoker and Conde
PROCEDURE FOR CHANGING STAFF	There will be no lead auditor change.	Change only one staff after initial	Hunsaker primary with support from Mahlke & Klein	Stoker as lead
Sufficient Detail Submitted re: methods?	Yes - v. good	Yes - good	Yes - fair	Yes - v. good
AUDIT APPROACH AND METHODS	eval and tests; reliability	eval and tests; reliability	eval and tests; reliability	eval and tests; reliability
COST OF AUDITS: ORIGINAL	\$ 8,000	\$ 10,765	\$ 12,750	\$ 17,400
COST OF AUDITS: SUBSEQUENT	\$8,000, \$8,000	\$11,150, \$11,550	\$13,000, \$13,250	\$18,000, \$18,600
COST OF AUDITS: SINGLE	\$2,500	\$1,000-1,500	\$2,500	\$2,500-\$4,000
PROPOSED TIMING OF PROCESS	11/10-13 on-site; Dec 10 draft; 1/15 completion; 1/25 presentation	11/9-13 on site; 12/18 MD&A; 1/13 completion; 1/25 presentation	10/26-30 on site, 12/18 draft, 1/25 final	10/19 on site; 12/18 draft; 1/13 MD&A; 1/25 Council
NOTES FROM INQUIRIES OF FIRM, REFERENCES	Ketchum LOVES him as auditor; used Rudd (IF) for one year, returned to Brown	Estimated fees a concern....candidate supplied firm bid.	Scott and Troy, as previous year.	Have used Conde Stoker previously (through FYE 05)

City of Hailey

115 MAIN STREET SOUTH, SUITE H
HAILEY, IDAHO 83333

(208) 788-4221
Fax: (208) 788-2924

August 19, 2009

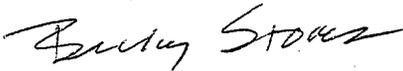
Dear Sir or Madam:

Periodically, the City of Hailey requests proposals for our annual audit in an effort to operate as effectively as possible. That we are inviting proposals does not indicate dissatisfaction with our current auditors. In fact, we have appreciated the new approaches and insight brought by different auditors.

This audit is to be conducted under the provisions of Idaho Code Sections 50-1010 and 67-450B, and in accordance with generally accepted governmental accounting principles (GAAP).

Please review the attached RFP and our website, HaileyCityHall.org, to determine whether your firm is interested in making a proposal. Please don't hesitate to contact me if you have any questions or would like additional information.

Sincerely,



Becky Stokes
City Treasurer

Becky.Stokes@HaileyCityHall.org
208-788-4221 x 28
115 Main Street South, Suite H
Hailey, ID 83333

REQUEST FOR PROPOSAL
FOR
QUALIFIED INDEPENDENT GOVERNMENT AUDITORS
TO PERFORM ANNUAL AUDITS
OF
THE CITY OF HAILEY
FOR
FISCAL YEARS ENDING
SEPTEMBER 30, 2009, 2010, & 2011

CITY OF HAILEY
115 N. Main Street, Suite H
Hailey, Idaho 83333
Telephone: 208-788-4221 x 28
Fax: 208-788-2924
Becky.Stokes@HaileyCityHall.org

Invitation to Bid

The City of Hailey extends an invitation to qualified independent government auditors to submit proposals detailing their methods, qualifications, costs and municipal references to conduct an on-site audit of the City of Hailey’s financial activity for the fiscal year beginning October 1, 2008 and ending September 30, 2009 and the two years following. The independent financial audit must be conducted under the provisions of Idaho Code Sections 50-1010 and 67-450B and in accordance with generally accepted governmental accounting principles (GAAP), as defined by the Governmental Accounting Standards Board (GASB).

Proposal Submission

Proposals must be submitted no later than 5:00 p.m. on September 18, 2009 and can be submitted in either electronic or paper form:

- Electronically to Hailey City Treasurer Becky.Stokes@HaileyCityHall.org or
- U.S. mail to Hailey City Treasurer, 115 South Main Street, Suite H, Hailey, ID 83333.

Inquiries

Inquiries concerning this RFP should be posed in writing to Becky Stokes at Becky.Stokes@HaileyCityHall.org, responses will be made available in writing to all interested parties. Auditors interested in submitting proposals and receiving written dialogue during the proposal period must register their interest by email.

Overview

The City of Hailey is a municipality incorporated in 1909. The City operates under a Mayor-Council form of government and provides the following services: public safety, public works, recreation, social services and community development. The City also provides water and waste water services which are financed by user charges. The significant revenues and receivables are generated by the residents of the City of Hailey through property tax and water and waste water fees. The City’s population is approximately 8500 residents. The City computer system operates in Windows XP 2002 and its financial software is Caselle.

Budget and Funds

The City annual budget is \$11,273,574 and the financial activity is grouped into eight funds, including the following:

General Fund	\$ 4,610,826
Capital Projects Fund	\$ 3,332,706
Revenue Bond Fund	\$ 528,726
Enterprise Funds:	
Water User	\$ 1,031,431
Sewer User	\$ 1,151,385
Water Replacement	\$ 375,500
Sewer Replacement	\$ 243,000

A request for an electronic copy of the final budget worksheets, and the annual appropriation ordinance and its amendments, may be made by email to Becky.Stokes@HaileyCityHall.org.

Personnel and Payroll:

Hailey's annual payroll is expected to approximate \$2,884,023 and is spent within three funds: general, water and wastewater. Hailey employs 62 full time employees, 2 to 5 part-time or seasonal employees, and 20 to 25 volunteer firefighters. Permanent employees working at least 20 hours per week are enrolled in the Public Employee Retirement System of Idaho. The City is insured by the State Insurance Fund. The City pays full health, dental and vision insurance premiums for its employees working at least 32 hours per week and allows its employees to add spouse and dependents at the employees' expense, as well as other life, accident, and miscellaneous insurances. The City participates in a Flex Benefits program with its employees as well as an HRA/VEBA plan funded by the City. The City allows accruals of Paid Time Off and comp time for hourly wage employees as described in Hailey's Personnel Handbook (available online). Payroll is issued 26 times per year on a bi-weekly basis, and all but two of Hailey's employees utilize payroll direct deposit.

Accounts Payable:

The City issues approximately 2400 checks to non-payroll related vendors for purchase of supplies and services during the fiscal year. City department heads are required to approve all purchases, the open invoice report is submitted to the City Council for review and approval of payment. Two authorized signatures are required on issued checks.

Grants and Loans:

All major capital projects have been completed and loans are in place accordingly. Most recently, a water storage tank was completed, approved and awarded an Idaho State Revolving Fund loan in November, 2008. The first interest payment on this loan was made in April, 2009. In addition, numerous applications for Federal Stimulus grants have been submitted with notification pending at this time. Specifically, we have applied for grants within the EPA, DOE and ARRA grant programs. The City is not subject to a single audit for FYE 2009 but this may not be the case for subsequent years.

Form of Proposal:

Proposals should include the following elements:

- Qualifications of the firm, including number of years conducting local government audits, number of clients, licenses, governmental auditing education, and special awards
- Quality Control Review reports
- Three local government references
- Qualifications and experience of partners, supervisors and staff that will be assigned to the engagement. The procedure for changing assigned staff during the audit process
- Audit approach and methods
- Cost to conduct the work as specified below:

Specific details of how and when the firm would conduct action in each of the date ranges below to meet the timeline under which Hailey's annual audit is conducted, with the responsibilities of the City and the Auditor clearly defined:

September 29 or October 2 -- Utility bills calculated, mailed and inventory counted

October 18 – November 17 -- Three to five day period for on-site testing

December 1 - 18 -- First Draft of Financial Statement received by City

December 18 – Jan 13, 2010 --City submits Management Analyses to Auditor

January 13 – Jan 20, 2010 --Final Draft of Financial Statement received by City

January 25, 2010 --Auditor presents Financial Statements to City Council

- Final Financial Statements must be presented as 6 printed reports and one electronic report compatible with City software
- Cost range for potential Single Audit
- Cost for subsequent years' annual audit
- Proposal must include signature lines for the City. The proposal will serve in the form of a contract for pricing and performance if firm is selected.

The Hailey City Council will review and potentially accept a proposal at its September 28, 2009 City Council meeting.



DENNIS R. BROWN
Certified Public Accountant

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

September 1, 2009

City of Hailey, Idaho
115 Main Street South, Ste H
Hailey, Idaho 83333

I am pleased to confirm my understanding of the services I am to provide the City of Hailey, Idaho (City) for the years ended September 30, 2009, 2010, and 2011. I will audit the financial statements of the City of Hailey comprising its basic financial statements for the years ended September 30, 2009, 2010, and 2011. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the City's basic financial statements. As part of my engagement, I will apply certain limited procedures to City's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless I encounter problems with the presentation of the RSI or with procedures relating to it, I will not disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.

Supplementary information other than RSI, listed below, also accompanies the City's basic financial statements. I will subject the follow information to the auditing procedures applied in my audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. Budgetary information

Audit Objective

The objective of my audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

1. Internal control related to the financial statements and compliance with the provisions of applicable laws regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
2. Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program (if any) in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the of the audit committee, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

My audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States: the Single Audit Act Amendments of 1996 (if applicable); and the provisions of OMB Circular A-133, and will include tests of the accounting records of the City, a determination of major program(s) in accordance with Circular A-133, and other procedures I consider necessary to enable me to express such opinions and to render the required reports. If my opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, I will fully discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinions, I may decline to express opinions or to issue a report as a result of this engagement.

I will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and compliance will include a statement that the report is intended solely for the information and use If during my audit I become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, I will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the basic financial statements, and of the respective financial position of the business-type activities, each major fund of the City and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

You are responsible for management decisions and functions. As part of the audit, I will prepare a draft of your financial statements and related notes. In accordance with Government Auditing Standards, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing my services.

Management is responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to me in the representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all know or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for my review at the date of this letter.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for me previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to me corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on my current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. I will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute, assurance and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to my attention. I will also inform you of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. I will include such matters in the reports required for a Single Audit (if required). My responsibility as auditor is limited to the period covered by my audit and does not extend to matters that might arise during any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. I will request written representations from your attorney as part of

the engagement, and he may bill you for responding to this inquiry. At the conclusion of my audit, I will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

My audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that I consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. My tests, if performed, will be less in scope that would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to Government Auditing Standards.

As required by OMB Circular A-133 (if required), I will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that I consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, my tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, Government Auditing Standards, and OMB Circular A-133.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform test of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion in my report on compliance and issued pursuant to Government Auditing Standards.

Audit Administration, Fees, and Other

I understand that your employees will prepare all cash or other confirmations I request and will locate any documents selected by me for testing.

I will provide copies of my reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of my reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Dennis R. Brown, CPA and constitutes confidential information. However, pursuant to authority given by law or regulation, I may be requested to make certain audit documentation available to the Idaho State Board of Accountancy or its designee, a federal agency providing direct or indirect funding, or the U.S. Government

Accountability Office or purposes of a quality review of the audit, to resolve audit findings or to carry out oversight responsibilities. I will notify you of any such requests. If requested, access to such audit documentation will be provided under the supervision of Dennis R. Brown, CPA. Furthermore, upon request, I may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the City. If I am aware that a federal awarding agency or auditee is contesting an audit finding, I will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

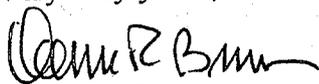
I expect to begin my audit on approximately November 10, 2009 and to issue my reports no later than January 15, 2010.

My fee for these services will be \$ 8,000 each year for the three year period if the audit is performed under "Yellow Book Standards". If a single audit is required for any of the years under contract, an additional fee of \$2,500 would be required for each "single audit" year. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

Government Auditing Standards require that I provide you with a copy of my most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. My 2006 peer review report accompanies this letter.

I appreciate the opportunity to be of service to the City of Hailey, Idaho and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to me.

Very truly yours,



Dennis R. Brown
CERTIFIED PUBLIC ACCOUNTANT

RESPONSE:

This letter correctly sets forth the understanding of the City of Hailey, Idaho.

By: _____

Title: _____

Date: _____



DENNIS R. BROWN

Certified Public Accountant

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

September 1, 2009

Technical Proposal:

I am a licensed Certified Public Accountant under the laws of the State of Idaho. I have been a practicing CPA for over 29. My office is located in Twin Falls, Idaho.

I have and continue to audit over a dozen governmental and not for profit organizations in and around southern Idaho. This work includes (2) cities, (2) taxing districts, and (2) US government organizations. These organizations have been audited by my firm for over 22 years. None of these organizations, to my knowledge, have requested or needed to request an extension of time to file annual financial statements. I personally perform the auditing testing and field work. I provide occasional secretarial services in the performance of the audit field work.

Audit approach:

1. Sample size is generally two months of transactions, tested against the budget and other evidentiary information.
2. I use excel and word software in the engagements
3. Interviews with city personnel and document flowcharts are refined each year to understand the nature of controls and the control environment under which they operate.
4. Testing of minutes of the city council will provide evidence of laws and regulations that will be tested to determine the adherence to such laws governing the city.
5. Samples for purposes of testing is done on a random basis.

Current audit clients include:

City of Ketchum, Idaho
City of Carey, Idaho

Timeline:

1. End of September testing on site of year end cut-off of utility bills and inventory
2. November 10-13 for on site testing and field work.
3. December 10 draft of financial statements.
4. January 15 completed financial statements.
5. January 25 presentation of audited financial statements to the City Council.



DENNIS R. BROWN
Certified Public Accountant

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

September 24, 2009

Becky Stokes
City of Hailey Idaho

Dear Becky,

The following information is submitted to supplement my proposal for auditing services for the City of Hailey, Idaho for the year ended September 30, 2009 and subsequent years.

My Peer Review Report shows the last year of my review was September 30, 2006. Licensing requirements for the state of Idaho require a peer review be conducted every three years. My next review is scheduled for November/December of 2009 for the year ending September 30, 2009.

Licensing requirements for CPAs in the state of Idaho require annual continuing professional education of 80 hours in a two year period with a minimum of 30 hours in any one year. I complete 40 hours per year of continuing education in accounting and auditing classes to fulfill my licensing requirement.

Sincerely yours,

Dennis R. Brown
CERTIFIED PUBLIC ACCOUNTANT

Evans & Poulsen P.A.

Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's

Edward G. Evans, CPA
Jeffrey D. Poulsen, CPA

November 13, 2006

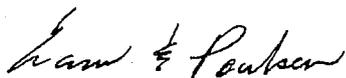
To Dennis R. Brown, CPA

We have reviewed the system of quality control for the accounting and auditing practice of Dennis R. Brown (the firm) in effect for the year ended September 30, 2006. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. (The engagements selected included among others, audits of engagements performed under *Government Auditing Standards*.) Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of an evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Dennis R. Brown in effect for the year ended September 13, 2006, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.



Evans & Poulsen

RECEIVED
SEP 03 2009

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, ID 83201-5278
(208) 232-5825
Members of Idaho Society of Certified Public Accountants
Members of American Institute of Certified Public Accountants



September 2, 2009

City of Hailey
Attn: Becky Stokes
115 Main Street South, Suite H
Hailey, ID 83333

Re: Request for Proposals - Annual Audits for the years ended September 30, 2009, 2010 and 2011

FIRM QUALIFICATIONS

Deaton & Company, Chartered (the Firm) has been performing audits since the inception of the firm. The Firm was established in the early part of the 1900's. The current ownership of the firm includes audit partners that have been with the Firm for more than thirty years. Deaton & Company, Chartered audit staff consists of three audit partners and four senior audit staff.

The audit partners and senior staff annually complete a minimum of 40 hours of continuing education. The continuing education is specifically designed to meet the requirements of the GAO's *Governmental Auditing Standards* (the "Yellowbook"). The continuing education includes seminars and in-house education. Our in-house education consists of sixteen (16) hours of classes specifically designed to meet the requirements of the "Yellowbook" in conjunction with and taught by a Boise State University professor of accounting.

QUALITY CONTROL REPORTS

The firm is required to undergo a peer review of our quality control system ever three years. The system review is required as a condition for licensure in Idaho for firms that perform attest services. Our previous system review report is attached.

GOVERNMENTAL AUDIT CLIENTS

The Company has a number of governmental audit clients in Southeastern Idaho. Our clients include but not limited to Bannock County, Power County, Pocatello/Chubbuck School District #25 and the Cities of Pocatello, Chubbuck, and Preston.

Of the governmental entities listed above, three annually receive the Governmental Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The School District also receives the Association of School Business Officials International's (ASBO) Certificate of Excellence in Financial Reporting.

STAFF ASSIGNMENTS

The Firm assigns staff to engagements based on experience in the audit industry area and availability. An audit partners and at least one senior staff are assigned to engagements. In the normal audit, there are not changes in staff performing the audit engagement. After the initial audit, we try to maintain consistency of the audit personnel. Should a change in audit personnel be required, the firm tries to only change one staff on the engagement to maintain consistence of personnel and the knowledge base of a client.

The audit partner in charge of this engagement would be Charles W. Clark, CPA. Mr. Clark has over 33 years of audit experience (see attached resume for additional special awards and positions). The senior auditor, Doran Lambson, CPA, has four years of audit experience (see attached resume for additional information).

AUDIT APPROACH

Deaton & Company, Chartered provides a professional audit approach, which includes maintaining professional skepticisms in gathering evidence to support financial statement disclosures, and developing an understanding of management's policies and procedures for internal controls.

Audit procedures and timelines are as follows:

October 1 & 2, 2009

Preliminary Analysis and Discussions -- including obtaining an understanding of City's internal control system, discussions with management and employees related to knowledge of allegations of fraud and abuse and discussions those charged with governance. Review of prior year financial statements with management and preliminary analytical review

Inventory Count -- Auditor observes and tests the counts performed by the City and compares amounts with the City's records.

Utility Billing Reports -- The City provides a detail list of outstanding utility bills with authorized utility rates and schedules of quantities used. The City prepares receivable confirmations based on the Auditor's selection of confirmations. The auditor controls the mailing of the confirmation letters.

November 9 -- 13

On-Site Testing -- The City will provide reconciliation worksheets and evidence to support account balances reported on the trial balance. The City will provide detailed schedules of disbursements and revenues, (i.e. check registers and grant award letters) to the auditor and provide proper documentation for all transactions selected for testing. The auditor will provide a list of transactions to be tested.

The City agrees to prepare all confirmation letters deemed necessary by the auditor.

December 1-18

Approval of Nonattest Services Including Proposed Audit Entries -- If the auditor proposes any journal entries, the City's management will be required to approve and take responsibility for posting the entries. This process will be documented in writing. Once any proposed entries are posted, the final adjusted trial balance can be approved by the City's management.

First Draft of Financial Statement received by the City -- The auditor will prepare the financial statements, notes to the financial statements and required supplementary information. This will include updating the notes and financial statement formats to comply with current reporting requirements.

December 18

The City will provide the MD&A to the Auditor to be included in the financial statements.

January 13

Auditor provides the City with the requested number of final drafts of the financial statements.

January 25, 2010

Auditor presents the audit report to the City Council

ESTIMATED FEES

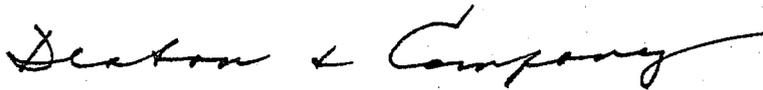
Our estimated fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). We anticipate that our auditing fee for the years ended September 30, 2009, 2010 and 2011, will be \$10,250, \$10,620 and \$10,990, respectively. The estimated fee assumes that unusual circumstances are not encountered. Out of pocket costs will be billed at actual amounts.

The above estimate does not include single audit services or additional nonattest services. Single audit costs usually will add \$1,000 to \$1,500 depending on the nature of the major program and the nature of the Single Audit. Also, as the number of major programs increases, the fee will need to be adjusted for any additional time related to multiple major programs.

Our fee proposal for the audit includes nonattest services related to the preparation of the financial statements from the final adjusted trial balance. All other nonattest services (such as reconciling trial balance accounts and preparing purposed adjusting entries related to these reconciliations, assisting in posting approved adjusted journal entries to the general ledger and any other nonattest bookkeeping services to complete the audit) will be billed out at our standard hourly rates. Based on the City's request for proposal and questions ask of the City Treasurer, we do not anticipate additional nonattest services.

If you have any questions, please contact us. If you accept this proposal, please sign the enclosed copy and return to us.

Sincerely,



Pocatello, Idaho

The City of Hailey accepts this proposal for audit

Signed

Signed

Title

Title

Date

Date

REPLACED
WITH
'NOT TO EXCEED'

January 25, 2010

Auditor presents the audit report to the City Council

ESTIMATED FEES

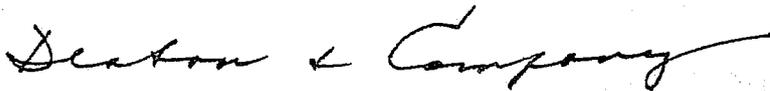
Our estimated fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). However, our auditing fee for the years ended September 30, 2009, 2010 and 2011, will not exceed \$10,765, \$11,150 and \$11,550, respectively.

The above fees do not include single audit services or additional nonattest services. Single audit costs usually will add \$1,000 to \$1,500 depending on the nature of the major program and the nature of the Single Audit. Also, as the number of major programs increases, the fee will need to be adjusted for any additional time related to multiple major programs.

Our fee proposal for the audit includes nonattest services related to the preparation of the financial statements from the final adjusted trial balance. All other nonattest services (such as reconciling trial balance accounts and preparing purposed adjusting entries related to these reconciliations, assisting in posting approved adjusted journal entries to the general ledger and any other nonattest bookkeeping services to complete the audit) will be billed out at our standard hourly rates. Based on the City's request for proposal and questions ask of the City Treasurer, we do not anticipate additional nonattest services.

If you have any questions, please contact us. If you accept this proposal, please sign the enclosed copy and return to us.

Sincerely,



Pocatello, Idaho

The City of Hailey accepts this proposal for audit

Signed

Signed

Title

Title

Date

Date

Pulliam & Associates, Chartered

Certified Public Accountants

June 3, 2008

To the owners
Deaton & Company, Chartered

We have reviewed the accounting and auditing practice of Deaton & Company, Chartered (the firm) for the year ended June 30, 2007, and have issued our report thereon dated June 3, 2008. That report should be read in conjunction with the comments in this letter, which were considered in determining our opinion. The matters described below were not considered to be of sufficient significance to affect the opinion expressed in that report.

Comment— The firm's quality control policies and procedures require an "...independent internal review of financial statements" for all attest engagements. Our review disclosed the firm had not complied with their policy on all of the engagements reviewed. As a result, we noted an instance of procedures for a review engagement being incomplete; we noted instances of references to financial statement notes being omitted and we noted an instance where the documentation of understanding with a client did not include all the standard wording.

Recommendation—The firm should re-emphasize to the firm owners and to the engagement reviewers the need to follow the firm's quality control policies and procedures regarding the independent reviews of attest engagements. As an alternative, the firm owners may wish to alter the firm's "bridging document" to selectively determine which attest engagements warrant an independent review.

Pulliam & Associates, Chartered

Pulliam & Associates, Chartered

Pulliam & Associates, Chartered

Certified Public Accountants

June 3, 2008
To the Owners,
Deaton & Company, Chartered

We have reviewed the system of quality control for the accounting and auditing practice of Deaton & Company, Chartered (the firm) in effect for the year ended June 30, 2007. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming to professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming to professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under Government Auditing Standards. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Deaton & Company, Chartered, in effect for the year ended June 30, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

As is customary in a system review, we have issued a letter under this date that sets forth comments that were not considered to be of sufficient significance to affect the opinion expressed in this report.

Pulliam & Associates, Chartered

Pulliam & Associates, Chartered

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, ID 83201-5278
(208) 232-5825
Members of Idaho Society of Certified Public Accountants
Members of American Institute of Certified Public Accountants



July 23, 2008

Idaho Society Peer Review Committee
250 Bobwhite Court, Suite 240
Boise, ID 83706

Ladies and Gentlemen,

This letter represents our response to the System Review Report and Letter of Comments (LOC) issued in connection with the review of our accounting and auditing practice for the year ended June 30, 2007. The matters discussed herein were brought to the attention of all personnel at a training session held on June 4, 2008 or individually if they were not able to attend the training meeting. In addition, the matters discussed in this letter will be given special emphasis in our current year monitoring.

The Reviewer's comments were directed to the Firm's procedures related to independent internal reviews by professional staff related to review and compilation engagements. All professional staff were reminded of the need to observe the independent internal review procedures. Further, during our 2008 monitoring, the Firm will review the Firm's policies and procedures to determine whether the procedures related to independent internal reviews are adequate.

Please be advised that during the exit conference with the Reviewer in December 2007, the Reviewer indicated that he anticipated not issuing a Letter of Comment (LOC). The Reviewer requested and received an extension of time to complete the Firm's System Review. During May 2008, we received Matters for Further Consideration (MFC's) that indicated that a LOC would be issued, before we had an opportunity to provide written responses to the MFC's. After providing written responses to the MFC's, we were again advised that no LOC would be issued. Subsequently, we received a System Review Report that did not reference a LOC.

Our understanding is that the Review Acceptance Board (RAB) requested the Reviewer to revise his MFC's to indicate reasons why the Firm's responses were acceptable to resolve the MFC's without the need for a LOC. Subsequent to the RAB's request of the Reviewer, the Reviewer issued a revised System Review Report and a LOC with one comment.

Because of the lateness of the Reviewer's report and the need to issue our System Review Report to regulatory agencies and our government audit clients, we have decided to accept the LOC and have responded above related to corrective action already taken and corrective action that will be taken. However, we feel that the Reviewer may have been intimidated by the RAB, whether intentional or not intentional, to change his decision to not issue a LOC. Based on our discussions with the Reviewer, the original determination was that the findings in the MFC's were not significant enough to warrant a LOC.

We believe the corrective actions are responsive to the findings of the Reviewer. The additional comments are directed to the users of this Letter of Response to clarify factors we believe affected the issuance of a LOC and also to discuss reasons why the System Review Report has not been completed and issued timely.

Sincerely,

A handwritten signature in cursive script, appearing to read "Deaton & Company".

DEATON & COMPANY, CHARTERED
Pocatello, Idaho

ISCPA



August 8, 2008

Charles W. Clark, CPA
Deaton & Company, Chartered
215 N 9th Ave Ste A
Pocatello, ID 83201-5278

Dear Mr. Clark:

It is my pleasure to notify you that on August 1, 2008 the Idaho Peer Review Committee accepted the report on the most recent peer review of your firm, the related letter of comments, and your firm's response thereto. The due date for your next review is December 31, 2010. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the reviewer's opinion was unmodified. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Tracy K. Poe, Manager
Peer Review Program

cc: Lawrence Patric Pulliam, CPA

Firm Number: 10016160

Review Number: 256244

RESUME OF: Charles W. Clark, CPA

Address: 215 North 9th, Suite A, Pocatello, Idaho 83201
Telephone: 208-232-5825
Fax: 208-232-5828
Email: cclark@deatoncpa.com

**PROFESSIONAL
BACKGROUND**

Thirty-two years experience as a Certified Public Accountant. Currently an Owner/Employee of Deaton & Company, Chartered, Certified Public Accountants.

**PROFESSIONAL
EXPERIENCE**

Secretary/Treasurer of Deaton & Company, Chartered, Certified Public Accountants.

Responsibilities as Owner/Employee include implementing the firm's auditing and accounting procedures, reviewing and implementing the firm's long-term computer and data processing strategies, and monitoring the Firm's quality control structure.

Client responsibilities include auditing of governmental units, non-profit units, and private industry; client consultation and assistance regarding accounting matters and decision making; assisting clients in the preparation of financial statements; computer systems design and analysis of computer output; assisting clients, including individuals, partnerships, corporations, and estates and trusts, in the preparation of tax and information returns required by taxing authorities.

Providing Peer Review Services to other Accounting Firms, as a qualified peer reviewer, under standards established by the American Institute of Certified Public Accountants for its mandatory Peer Review Program for accounting and auditing practices.

**EDUCATION
EXPERIENCES**

Graduated from Idaho State University in May 1977. Received a Bachelor of Business Administration—Accounting degree. Placed on the Dean's Honor Roll in 1976 and maintained that position through graduation. College activities included membership in the ISU Accounting Club. Charter member of Delta Chi Fraternity and served as treasurer of the organization.

Continuing professional education includes forty or more hours annually in auditing, accounting and tax courses and seminars. Special emphasis in auditing and accounting for private, non-profit and governmental entities. Continuing education meets requirements established by the Comptroller General as outlined in GAO's *Governmental Auditing Standards*.

PROFESSIONAL ORGANIZATIONS

Member of the American Institute of Certified Public Accountants. Past services include serving on the Organization's governing council as the Idaho representative.

Member of the Idaho Society of Certified Public Accountants (ISCPA). Past services include serving as President of the Idaho Society of Certified Public Accountants, Chairman of the Peer Review Committee Review Acceptance Board, President of the Southeast Chapter of the Society, Chairman of the Committee on Continuing Professional Education and service on the Committee on Relations with Educational Institutions, Committee on Public Relations, and the Membership Committee.

Appointed by the Governor to serve on the Idaho State Board of Accountancy from 2004 through 2009. Currently serving as Chairman of the Board's investigative committee. Past services include Chairman of the Idaho State Board of Accountancy.

Represented the Idaho State Board of Accountancy during his active term, as a representative with the National Association of State Boards of Accounting (NASBA). Current serves on NASBA's Compliance Assurance Committee. The Compliance Assurance Committee works to insure that NASBA's commitment and interests regarding accounting firm's compliance with quality controls standards is achieved. Re-elected in 2009 to serve an additional two (2) year term on the NASBA Nominating Committee by NASBA's Mountain States District. Representatives of the Mountain States District are elect bi-annually to represent the District's interests on the NASBA Nominating Committee. The Nominating Committee is responsible for proposing nominee's for Chairman, Vice Chairman and Directors of NASBA's Board of Directors to NASBA's membership for election.

CIVIC ORGANIZATIONS

Member of the Rotary Club of Pocatello-Gate City. Past services include President of the Club, Secretary of the Club and Treasurer of the Club. Has also served on district committees. He is recognized as a Paul Harris Fellow. Paul Harris Fellows participate in the Rotary International Foundation and seek to promote the Foundations health and humanity programs. He has been recognized as an outstanding Rotarian of the year for his contributions to his community and to his club.

Member of Masonic orders including Portneuf Lodge #18, Scottish Rite of Southeastern Idaho, and El Korah Shrine. Scottish Rite Masons and Shriners work to promote the philanthropic efforts of Scottish Rite Hospitals and Learning Centers and Shriner Hospitals.

RESUME OF: Doran J. Lambson, CPA
215 North 9th, Suite A
Pocatello, Idaho 83201
Telephone (208) 232-5825

EDUCATION High School Diploma from Highland High School, Pocatello, Idaho -- 1996.
B.B.A. in Accounting from Idaho State University, Pocatello, Idaho -- 2005.

PROFESSIONAL & CIVIC ACTIVITIES Certified Public Accountant, American Institute of Certified Public Accountants, Idaho Society of Certified Public Accountants, and member of Association of Certified Fraud Examiners. Member of the Portneuf Rotary Club.

INDUSTRY EXPERIENCE Idaho Department of Labor
Pocatello, Idaho
June 2000 – November 2005

Responsibilities included monitoring the accounts payable of vendors and state contracts, and provide reports on the department's budgets for Southeastern Idaho.

Provided advanced Excel trainings to department staff.

Deaton & Company, Chartered
Pocatello, Idaho
November 2005 - Present

Principal responsibilities include the traditional CPA functions of auditing, tax services, and accounting and data processing services.

HCM HOLMSTEAD PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Justamere Inn
401 Gooding Street, Suite 203
P.O. Box 1293
Twin Falls, Idaho 83303-1293

Phone (208) 734-2077
Fax (208) 734-2079

office@hcmholmstead.com

September 13, 2009

Becky Stokes, City Treasurer
City of Hailey
115 Main Street South, Suite H
Hailey, ID 83333

Dear Ms. Stokes,

This letter is in response to your Request for Proposal dated August 19, 2009. We are pleased to present this proposal to the City of Hailey. We have experience with many Idaho cities and feel confident that we can give you a high level of service.

The partners of our firm have a combined experience of over 75 years in accounting and auditing of governmental and similar organizations. We feel our firm's experience would provide a strong base of extensive resources for your organization to draw upon. We have included a list of other governmental and non-profit entities that we audit for your review.

HCM Holmstead, pllc is composed of four partners, Mark F. Holmstead, John A. Coleman, Troy L. Mahlke, and Scott E. Hunsaker, all of which are Certified Public Accountants. All four partners have been involved in governmental auditing. The firm employs seven other certified public accountants and seven clerical and paraprofessionals. It is intended that Scott E. Hunsaker a partner of the firm will be the engagement contact for this audit.

The firm will also enlist the support of Troy L. Mahlke, CPA a partner in the firm and our audit manager, Susan Klein, CPA. Various clerical and support personnel may be used part-time to assist with the audit as needed. The background and work experience of the professionals with direct involvement is provided below.

Scott E. Hunsaker, Partner

Bachelor of Arts – Business Administration Accounting Emphasis
Washington State University, 1995
Master of Accounting, Utah State University, 1996
12 years of accounting and auditing experience

Relevant Continuing Professional Education during the past three years:

Governmental Accounting and Auditing Update
2007 Revised Yellow Book
Compiling and Reviewing Financial Statements

Auditor Communications
Workpaper Approach to Implementing the Single Audit

Troy L. Mahlke, Partner

Bachelor Degree - Accountancy University of North Dakota, 1992
13 years accounting and auditing experience

Relevant Continuing Professional Education during the past three years:
Governmental Accounting and Auditing Update
Not for Profit Update
Compiling and Reviewing Financial Statements
Auditor Communications

Susan Klein, Audit Manager

B.S. Idaho State University 1989
18 years of accounting and auditing experience

Relevant Continuing Professional Education during the past three years:
Understanding and Performing Yellow Book Audits
Review of Government Financial Statements & Notes
Auditing States and Local Governments
Accounting and Auditing Update
Workpaper Approach to Implementing the Single Audit

All CPA's of the firm are licensed in the State of Idaho. The quality of the staff over the term of the engagement will be assured in accordance with the firm's policies of internal control. Those were the policies that were reviewed by a peer and whose report indicates that our system of quality control has been designed to meet the requirements established by the American Institute of Certified Public Accountants and that the system is being complied with.

Our approach will be in the accordance with the Accounting Standards Board's (ASB) risk assessment standards. The audit of the City of Hailey would begin with an evaluation of the organization's internal control structure. With an understanding of the system of internal controls, we would design tests to evaluate the effectiveness and efficiency of the system. Procedures would then be designed and performed to verify financial statement accounts and the reliability of the data presented in the statements.

Upon completion of the audit tests and procedures, conclusions will be drawn relating to the fairness of the presentation of the financial statements. Based on these tests, evaluations and procedures, we will then be prepared to issue the required reports, namely the audit report on the financial statements, the report on internal control structure, and the report on compliance with applicable laws and regulations.

We propose the following fees for the audit of the financial statements:

June 30, 2009	\$12,750.
June 30, 2010	13,000
June 30, 2011	13,250

Should the City require a single audit our proposed fee would be \$2,500 for the completion of the single audit of federal programs and submission of the single audit reporting package to the federal clearing house for each of the three years proposed.

This proposed fees would include reproduction costs and postage associated with the reports. We also anticipate some assistance from the organization's staff. This would include making themselves available for inquiries regarding the accounting system and internal controls, pulling documents selected for testing, preparation of supporting documentation to be audited and the preparation of an adjusted trial balance.

The following is a proposed timeline. We would work closely with City personnel to schedule times that would be convenient for both the City and HCM Holmstead:

September 29 or October 2 – Meet with City personnel regarding confirmation of utility billings and inventory test counts. (A determination will be made if using confirmations for utility billings would be the most effective and efficient way of testing these account balances. If it is determined other procedures would be more effective and efficient other tests may be conducted.)

October 26 – October 30 this week would be set aside for onsite field work. It may take fewer than five days depending on how well the work progresses.

December 18 a draft of the financial statements will be delivered to City personnel for review and comments.

January 13 the City will deliver to HCM Holmstead the Management's Discussion and Analysis to be included in the City's financial statements.

January 20 the final draft will be delivered to the City.

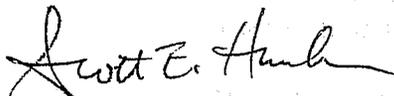
January 25 the audited financial statements will be presented to the City Council by HCM Holmstead, pllc.

If you need further clarification or more detail about our firm or our qualifications please do not hesitate to contact:

Scott E. Hunsaker, CPA
PO Box 1293
Twin Falls, ID 83301

Telephone: (208) 734-2077
Fax: (208) 734-2079
Email: scotth@hcmholmstead.com

Sincerely,



Scott E. Hunsaker, CPA

We accept the above proposal for the audit services of HCM Holmstead, pllc for the fiscal years ended September 30, 2009, 2010 and 2011.

Signature

Title

Current Non-Profit & Governmental Auditing Engagements:

Elmore County, Mountain Home, Idaho. Auditors since 2002, approximately 150 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Marsa Grimmett, County Clerk (208-587-2130).

Kimberly School District, Kimberly, Idaho. Auditors since 1988, approximately 120 hours per year in audit work. Engagement partner, Troy L. Mahlke. Contact person is Kathleen Noh, Superintendent (208-423-4170).

Hansen School District, Hansen, Idaho. Auditors since 1988, approximately 110 hours per year in audit work. Engagement partner, Troy L. Mahlke. Contact person is Dennis Coulter, Superintendent (208-423-6387).

City of Sun Valley, Sun Valley, Idaho. Auditors since 2002, approximately 100 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Michelle Frostenson, City Finance Director (208-622-4438).

City of Twin Falls, Twin Falls, Idaho. Auditors since 2000, approximately 425 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Lori Race, City Finance Director (208-735-7241).

Region IV Development Association, Twin Falls, Idaho. Auditors since 1995, approximately 110 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Joe Herring, Executive Director (208-736-3064)

Magic Valley Youth and Adult Services, Twin Falls, Idaho. Auditors since, 1990, approximately 60 hours per year in audit work. Engagement partner, Troy L. Mahlke. Contact person is Sylvia Ann Bradshaw, Executive Director (208-734-4435).

South Central E-911, Twin Falls, Idaho. Auditors since 1995, approximately 75 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Ron Vogt, Executive Director (208-734-1344).

Twin Falls Library, Twin Falls, Idaho. Auditors since 2000, approximately 60 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Arlan Call, Library Director (208-735-7285).

South Central Community Action Agency, Twin Falls, Idaho. Auditors since 1992, approximately 100 hours per year in audit work. Engagement partner, Troy L. Mahlke. Contact person is Ken Robinette, Executive Director (208-733-9351).

Glenns Ferry Health Center, Glenns Ferry, Idaho. Auditors since 1992, approximately 133 hours per year in audit work. Engagement partner, Troy L. Mahlke. Contact person is Leslyn Phelps, Executive Director (208-366-7416).

Twin Falls Urban Renewal Agency. Auditors since 2000, approximately 80 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Lori Race, Finance Director (208-735-7241).

Twin Falls Library Foundation, Twin Falls, Idaho. Auditors since 1995 approximately 50 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Diane VanEnglen, Executive Director (208-736-6205).

Wood River Fire Protection District, Hailey, Idaho. Auditors in 2002, approximately 80 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Bart Lassman, Chief (208-788-5577).

Dietrich Highway District, Dietrich, Idaho. Auditors since 1995, approximately 40 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Shauna Porter, Clerk (208-544-2445).

Magic Valley Rehabilitation Services, Twin Falls, Idaho. Auditors since 1990, approximately 85 hours per year in audit work. Engagement partner, Troy L. Mahlke. Contact person is Jeff Crumrine, Executive Director (208-734-4112).

Boys and Girls Club of Magic Valley, Twin Falls, Idaho. Auditors since 1999, approximately 45 hours per year in audit work. Engagement partner, Troy L. Mahlke. Contact person is Don Hall, Executive Director (208-736-7011).

Magic Valley Regional Medical Center Foundation, Twin Falls, Idaho. Auditors since 2001, approximately 85 hours per year in audit work. Engagement partner, Troy L. Mahlke. Contact person is Larry Baxter, Executive Director (208-737-2480).

State of Idaho Fish and Wildlife Foundation, Boise, Idaho. Auditors since 1995, approximately 75 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Gayle A. Valentine, Executive Director (208-334-2648).

Sun Valley Sewer and Water District, Ketchum, Idaho. Auditors since 2002, approximately 75 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person is Joanne Vassar, Administrator (208-622-7610).

Idaho Food Quality Assurance Laboratory, Twin Falls, Idaho. Auditors since 2008, approximately 75 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person Michael Becerra, Manager (208-732-5325).

City of Wendell, Wendell, Idaho. Auditors since 2006, approximately 120 hours per year in audit work. Engagement partner, Scott E. Hunsaker. Contact person Mickey Walker, City Finance Director (208-536-5161).

Evans & Poulsen P.A.

Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
Edward G. Evans, CPA
Jeffrey D. Poulsen, CPA

October 25, 2006

To the Owners
HCM Holmstead, PLLC

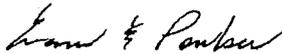
We have reviewed the system of quality control for the accounting and auditing practice of HCM Holmstead, PLLC (the firm) in effect for the year ended July 31, 2006. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. (The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under *Government Auditing Standards*.) Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of and evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of HCM Holmstead, PLLC in effect for the year ended July 31, 2006, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

As is customary in a system review, we have issued a letter under this date that sets forth comments that were not considered to be of sufficient significance to affect the opinion expressed in this report.



Evans & Poulsen

AGENDA ITEM SUMMARY

DATE: September 28, 2009

DEPARTMENT: Planning

DEPT. HEAD SIGNATURE: BR

SUBJECT: Findings of Fact and Conclusions of Law – approval of rezoning Lots 4-10, Block 126, Hailey Townsite (719 Third Avenue South) from General Residential (GR) to Limited Business (LB) conditioned on approval of a development agreement

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

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

On September 14, 2009 the Council held a public hearing and approved the Blaine County School District's application to rezone of Lots 4-10, Block 126 rezone from GR to LB, subject to a development agreement. The draft development agreement is included as a separate agenda item for Council review.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Casele # _____
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 type="checkbox"/> City Administrator | <input type="checkbox"/> Library | <input type="checkbox"/> Safety Committee |
| <input type="checkbox"/> City Attorney | <input type="checkbox"/> Mayor | <input type="checkbox"/> Streets |
| <input type="checkbox"/> City Clerk | <input type="checkbox"/> Planning | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Building | <input type="checkbox"/> Police | _____ |
| <input 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:

Review Findings of Fact; if acceptable move to approve and authorize the mayor to sign.

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)

FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISION

On September 14, 2009, the Hailey City Council considered an application submitted by the Blaine County School District for an amendment to the Hailey Zoning Map. The proposed amendment would change the zoning of Lots 4-10, Block 126, Hailey Townsite, from General Residential (GR) to Limited Business (LB). The subject property is located at 719 Third Avenue South. The Hearing Examiner, having been presented with all information and testimony in favor and in opposition to the proposal, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

FINDINGS OF FACT

Notice

Notice for the public hearing was published in the Idaho Mountain Express on August 26, 2009; the notice was mailed to property owners within 300 feet and to public agencies and area media on August 26, 2009; and notice was posted on all external boundaries of the property on September 4, 2009.

Application

The Blaine County School District is seeking an amendment to the zone district map for the City of Hailey. The application would change the zoning of Lots 4-10, Block 126, Hailey Townsite, (719 Third Avenue South) from General Residential (GR) to Limited Business (LB). The rezone would allow the applicant to receive credit toward on-site parking requirements for improvements to the City right-of-way and to be considered a permitted use. The proposed use requires a Conditional Use Permit in the GR district.

The property was previously used for the Silver Creek Alternative School. Schools are a permitted use in the GR district. The proposed use for the property is an office for the High School Technology Department. The applicant has stated that the proposed use of the building is divided into the following four components: 1) receiving and distribution of new computer equipment as well as service of existing computer equipment for the entire school district, 2) software and test score managing for the district, 3) teacher training on the use of software and computers, and 4) housing and maintenance of the main computer server facilities for the district. The definition of School, listed in the Hailey Zoning Ordinance, is not appropriate for the proposed use; therefore, a rezone to LB would allow the use to be considered under the permitted use of "other education services."

Uses adjacent to the subject property include: Wood River Fire and Rescue to the north, Blaine County Senior Center to the south, Inn at Ellsworth Estate and the Hailey Armory to the east, and Hailey Elementary Nelson's Field to the west.

The purpose of the GR District is to provide areas for a variety of residential uses, and a limited number of other uses compatible with this type of residential development. The intent is to preserve the favorable amenities associated with a residential neighborhood. The purpose of the LB District is to provide areas for a wide range of residential uses,

restricted business uses, and medical facilities. The LB District is intended to allow for commercial uses that would not detract from the established downtown retail businesses, hence general retail is not allowed. The substantial difference between the GR and LB districts are listed below under the Analysis and Discussion section of the staff report.

Currently permitted, conditional and accessory uses and bulk regulations in the LB District are set forth in Section 4.5 of the Hailey Zoning Ordinance.

Procedural History

The property was previously used for the Silver Creek Alternative School. In June 2009 the applicant applied for a Conditional Use Permit for the proposed Technology Building. In GR, a Public Use requires a CUP. During the CUP application review, it was determined that 11 on-site parking spaces were required. Historically, all parking had been located in the public right-of-way, adjacent to the front of the subject property. There is room for on-site parking at the rear of the property; however, these spaces are unimproved and due to the topography of the site, there is only enough room for six parallel spaces without construction of a significant retaining wall. The rear of the site has a steep gradient that would require cuts and retaining walls to provide more spaces with the required dimensions. In addition, the steepness of the gradient would not accommodate the access requirements for an ADA space at the rear, which is required. The applicant would like to make improvements to the parking area located in the City right-of-way in exchange for credit toward the on-site parking requirements. The Zoning Code allows credit toward the on-site parking requirements for improvements to be given in LB, but not in the GR district. The applicant's desire to rezone the property to LB, would resolve the on-site parking problems and would allow the property to be used for the Technology Building, without a requiring a CUP.

A rezone of the property on which the Blaine County Senior Center is located, to the south of the School District property, was approved within the last year for the same reasons.

On August 24, 2009, the Hearing Examiner recommended approval of the rezone subject to a Development Agreement, which specifies the following for Lots 4-10, Block 126, Hailey Townsite: 1) parking improvements to be made on-site and off-site, and 2) prohibits all conditional uses, excluding public uses.

Analysis and Discussion

The Townsite Overlay District is an overlay district, setting forth bulk regulations and design standards. Where the regulations specified in the Townsite Overlay District differ from corresponding regulations specified for the underlying zoning district, the requirements of the Townsite Overlay District apply and control. The Townsite Overlay requirements do not affect the use regulations of the underlying zoning district.

When considering this rezone the differences between the two districts are evaluated; Townsite Overlay bulk regulations with underlying zoning regulations and underlying zoning regulations without the Townsite Overlay District. In the event that the subject

property is ever removed from the Townsite Overlay boundary the underlying district regulations would apply.

The substantial differences in use, between GR and LB districts, are listed below.

In addition to the permitted uses allowed in General Residential, Limited Business also allows for the following additional permitted uses:

- lodging establishments
- professional offices, excluding veterinarians
- health care and social assistance
- real estate and property management companies
- catering services
- arts, entertainment and recreation uses (indoor and outdoor)
- Personal services where retail sales are clearly incidental to the principal use and no outside storage yard or facility is required
- semi public uses
- other educational services
- government offices and public administration, except correctional institutions
- PWSFs or WCFs, attached to street poles, upon the issuance of a wireless permit in accordance with the provisions of Article VIIA of the Hailey Zoning Ordinance.

Conditional uses allowed in LB and prohibited in GR district are as follows:

- Gasoline Stations and Automotive Repair and Maintenance
- Restaurants
- Wholesale distributors
- Convenience Stores
- Medical personal care stores
- Finance and insurance firms
- Construction contractors' offices with no exterior storage
- PWSF's and WCF's, mounted on any proposed freestanding tower (in GR it can be attached to street poles or mounted on existing buildings or structures, but not freestanding towers)

Accessory Uses allowed in LB, but prohibited in the GR district are as follows:

- Combustible liquid tanks.
- PWSF's and WCF's, mounted on existing buildings or structures.

The difference in bulk requirements **without** considering the Townsite Overlay are as follows:

Bulk Regulations	LB	GR
Maximum townhouse sub-lots per acre	20	10
Maximum multi-family residential aggregate density	One (1) dwelling unit per 1/20 of an acre	One (1) dwelling unit per 1/10 of an acre

Maximum aggregate gross floor area for individual retail/wholesale trade or grouped retail/wholesale trade	36,000 square feet	N/A (Not a permitted use)
Riparian setback	N/A (No riparian setback)	Required
Maximum Lot Coverage	N/A (No maximum)	40%
Size of Detached Accessory Dwelling Unit	N/A (No minimum or maximum)	Minimum gross floor area of 300 square feet and a maximum of 950 square feet

The following are the bulk regulation differences between GR and LB **with** consideration of the Townsite Overlay District, Section 4.13.6 of the Hailey Zoning Ordinance:

Bulk Requirements	LB in Townsite Overlay	GR in Townsite Overlay
Maximum Building Height	35 feet	30 feet
Maximum Lot Coverage	70%	25-40% depending on building height and whether a garage is on-site
Maximum Lot Size	No maximum	18,000 square feet

Section 14.8 of the Hailey Zoning Ordinance allows for the rezone of certain parcels to be made conditional upon the owner or developer of the property making a commitment concerning the use or development of the subject parcel. Development Agreements have become standard with rezone approvals. For this application it would be appropriate to have a Development Agreement that prohibits all conditional uses, excluding public uses. Public uses are compatible and consistent with the current surrounding area and may be requested as a future use given that the property is owned by the School District. These conditions would help lessen impacts felt by neighboring residential areas and help preserve the residential character, if in the future the property's use were to change.

In addition to language regarding the types of permitted or conditional uses which may be developed on the property, language regarding the parking improvements to be made is recommended. The applicant has proposed to improve the on-site parking area at the rear of the subject property with six (6) parallel parking spaces, install a sidewalk in front of the subject property, and improve the parking area in the City right-of-way with 14 regular parking spaces, one (1) of which is an ADA parking space in front of the subject property.

Per the City Engineer's requirements regarding the on-site parking improvements, the following details should be incorporated into a development agreement:

1. Surfacing shall be compacted road mix per the city standards of a street shoulder.
2. The road mix surface will be large enough, in width and length, per the drawings submitted by the architect for (6) total vehicles to park; which is (3) to the north

- of the middle/ lowest landing of the stairway and (3) spaces to the south. No stall striping will be required.
3. A drainage swale shall be installed and continuous on a north-south axis just east of the west property line (on the subject property), between the parallel parking spaces and the west property boundary.
 4. The improved area shall consist of parallel parking spaces on the BCSD property to connect with/ align to the edge of existing asphalt in the City right-of-way.

Standards of Evaluation

Section 14.6 of the Hailey Zoning Ordinance establishes the standards for proposed zoning ordinance map amendments. For each applicable standard (in bold print), the Council makes the following Findings of Fact:

1. The proposed amendment is in accordance with the Comprehensive Plan;

The Council considered how the proposed use relates to the various policies and implementation items of the Comprehensive Plan, particularly the following:

- The Comprehensive Plan Land Use Map reflects suitable projected land uses for the City. It considers existing conditions, trends, and desirable future situations, the objective being a balanced mix of land uses for the community. The Map establishes a basis and direction for the expansion and/or location of business, residential, industrial, institutional and green space areas within and adjacent to the City. The Land Use Map depicts the area of the proposed rezone as “Transitional – Mixed use, including residential, providing a buffer between residential neighborhoods and intense business use.”

	COMP PLAN DESIGNATION (LAND USE MAP)	ZONING DESIGNATION	LAND USE
Existing	Transitional	GR (General Residential)	Previously a School
Proposed	No Change	LB (Limited Business)	Other educational services
North of site	Transitional	GR (General Residential) <i>City Initiated Rezone proposes LB (Limited Business)</i>	Public Service Facility
South of site	Transitional	LB (Limited Business)	Semi-public use
East of site	Residential	LB (Limited Business)/ GR (General Residential)	Public Service Facility/ Lodging Establishment
West of site	Transitional	LB (Limited Business)	Vacant

- Land Use Districts, Section 5.4 states, “Encourage integration of compatible land uses in order to retain a compact City comprised of a central downtown, with

surrounding diverse neighborhoods, thereby reducing sprawl and traffic, increasing efficiency, and creating neighborhood and community character.”

- Land Use Districts, Section 5.6 states, “Provide adequate areas for institutional and public facilities, such as schools, senior care, medical, judicial and other community facilities, integrated within the community.”
- Due Process and Public Input, Section 5.8 states, “Proactively amend the Hailey Zone District map to resolve significant conflicts between the Land Use Map and the Zoning Map.”
- Public Facilities, Utilities and Services, Section 9.2 states, “Review and support of services by other entities at appropriate locations.”

The Council referred to the purpose of the LB District and determined that the rezone is compatible with the Land Use Map given that the property is shown as a “Transitional” area on the Land Use Map and the nature of the proposed use. The Council determined that this service is at an appropriate location and it should be supported.

2. Essential public facilities and services are available to support the full range of proposed uses without creating excessive additional requirements at public cost for the public facilities and services;

The proposed Technology Department Building is located close to the southern entrance to downtown Hailey and near the corner of the Townsite Overlay District. Except for sidewalks, which was a condition of Design Review approval when the Commission reviewed this application in June of 2009, all city services to this property currently exist. The Hailey emergency services are nearby and all utilities exist at the site.

3. The proposed uses are compatible with the surrounding area; and

The surrounding uses are a mix of residential, commercial, public and semi-public uses. While the properties to the north are zoned GR (General Residential), the subject property is at the southern edge of the GR-zoned properties; property to the south is zoned LB. The subject property is located within an area that transitions from residential to Main Street properties and uses. Properties located to the west and east from this property are zoned LB. The Technology Department Building would be considered an education service use. The Council determined that the use is compatible with the surrounding area.

4. The proposed amendment will promote the public health, safety and general welfare.

The intent of the applicant is to provide a facility in which the following could occur without a CUP and without 11 on-site parking spaces: 1) receiving and distribution of new computer equipment as well as service of existing computer equipment for the entire school district, 2) software and test score managing for the district, 3) teacher training on the use of software and computers, and 4) housing and maintenance of the main computer

server facilities for the district. The Council determined that the welfare of the citizens of Hailey will be promoted by the rezone request.

CONCLUSIONS OF LAW AND DECISION

Based upon the above Findings of Fact, the Council makes the following Conclusions of Law and Decision:

1. Adequate notice, pursuant to Section 14.4.1 of the Hailey Zoning Ordinance No. 532 and Idaho Code, Section 67-6511, was provided.
2. The Zoning Map amendment is in accordance with the Hailey Comprehensive Plan.
3. The Zoning Map amendment will promote the public health, safety and general welfare.
4. The proposed uses are compatible with the surrounding area.
5. Essential public facilities and services are available to support the full range of proposed uses without creating excessive additional requirements at public cost for the public facilities and services.
6. The Zoning Map amendment shall be subject to a Development Agreement, which specifies the following for Lots 4-10, Block 126, Hailey Townsite: 1) parking improvements to be made on-site and off-site, and 2) prohibits all conditional uses in the LB district (Section 4.5), excluding public uses.

Signed this _____ day of _____, 2009.

Rick Davis, Mayor, City of Hailey

Attest:

Mary Cone, City Clerk

AGENDA ITEM SUMMARY

DATE: September 28, 2009

DEPARTMENT: Planning

DEPT. HEAD SIGNATURE: 

SUBJECT: Findings of Fact and Conclusions of Law – approval of rezoning Lots 1-3, Block 126, Hailey Townsite (619 Third Avenue South) from General Residential (GR) to Limited Business (LB) conditioned on approval of a development agreement.

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

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

On September 14, 2009 the Council held a public hearing and approved the Blaine County School District's application to rezone of Lots 1-3, Block 126 rezone from GR to LB, subject to a development agreement. The draft development agreement will be presented at a subsequent meeting for Council review.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Casele # _____
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 type="checkbox"/> City Administrator | <input type="checkbox"/> Library | <input type="checkbox"/> Safety Committee |
| <input type="checkbox"/> City Attorney | <input type="checkbox"/> Mayor | <input type="checkbox"/> Streets |
| <input type="checkbox"/> City Clerk | <input type="checkbox"/> Planning | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Building | <input type="checkbox"/> Police | _____ |
| <input 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:

Review Findings of Fact; if acceptable move to approve and authorize the mayor to sign.

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)

FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISION

On September 14, 2009, the Hailey City Council considered a city initiated amendment to the Hailey Zoning Map. The proposed amendment would change the zoning for Lots 1-3, Block 126, Hailey Townsite from General Residential (GR) to Limited Business (LB). The subject property is located at 619 Third Avenue South. The Council, having been presented with all information and testimony in favor and in opposition to the proposal, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

FINDINGS OF FACT

Notice

Notice for the public hearing was published in the Idaho Mountain Express on August 26, 2009; the notice was mailed to property owners within 300 feet and to public agencies and area media on August 26, 2009; and notice was posted on all external boundaries of the property on September 4, 2009.

Application

The City is initiating an amendment to the zone district map for the City of Hailey which would change the zoning of Lots 1-3, Block 126, Hailey Townsite, (619 Third Avenue South) from General Residential (GR) to Limited Business (LB). Blaine County School District (BCSD) has applied for a rezone of Lots 4-10, Block 126. In the past year the Blaine County Senior Center located on the southern portion of Block 126 was rezoned to LB. If the BCSD's rezone application is approved, then the rezone of Lots 1-3 would be appropriate to create consistent zoning of Block 126.

The common reason for the rezoning of the Senior Center and School District properties is for compliance with on-site parking requirements. The rezone allows the applicants to apply for credit toward on-site parking requirements for improvements to the City right-of-way.

Historically, all parking had been located in the public right-of-way, adjacent to the front of the properties. The rear of the block has a steep slope that would require retaining walls to provide on-site spaces with the required dimensions. In addition, the steepness of the slope would not accommodate the access requirements for an ADA space at the rear, which is required. The Zoning Code allows credit toward the on-site parking requirements for improvements to be given in LB, but not in the GR district. A rezone to LB, would resolve the limitation to providing on-site parking common to the east side of Block 126.

The Wood River Fire and Rescue currently occupies the property, which is City owned. This is considered a Public Service Facility and requires a conditional use permit in both the LB and the GR districts. It is not anticipated that the current use will change in the near future. However, redevelopment of the property would be subject to the same parking requirements and the credit toward on-site parking requirements in exchange for

improvements to the public right-of-way is likely to be pursued should the property be redeveloped. For procedural efficiency, a city initiated rezone of Lots 1-3 is being brought forward at this time to provide the same remedy for the entire east half of Block 126.

Uses adjacent to the subject property include: Hailey Fire Department to the north, Blaine County School District's proposed Technology Department Building to the south, Inn at Ellsworth Estate to the east, and Nelson's Field to the west.

The purpose of the GR District is to provide areas for a variety of residential uses, and a limited number of other uses compatible with this type of residential development. The intent is to preserve the favorable amenities associated with a residential neighborhood. The purpose of the LB District is to provide areas for a wide range of residential uses, restricted business uses, and medical facilities. The LB District is intended to allow for commercial uses that would not detract from the established downtown retail businesses, hence general retail is not allowed. The substantial difference between the GR and LB districts are listed below in under the Analysis and Discussion section of the staff report.

Currently permitted, conditional and accessory uses and bulk regulations in the LB District are set forth in Section 4.5 of the Hailey Zoning Ordinance.

Procedural History

On August 24, 2009, the Hearing Examiner recommended approval of the rezone subject to a Development Agreement, which specifies the following for Lots 1-3, Block 126, Hailey Townsite: 1) prohibit all conditional uses, excluding public uses and public service facilities, 2) in the event that the Wood River Fire and Rescue ceases to use the property and the City does not redevelop with a public use, the property shall revert back to GR. In addition, the Hearing Examiner recommended approval of the city initiated application conditioned upon approval of the rezone, requested by the Blaine County School District, from GR to LB, of Lots 4-10, Block 126, Hailey Townsite.

Analysis and Discussion

The Townsite Overlay District is an overlay district, setting forth bulk regulations and design standards. Where the regulations specified in the Townsite Overlay District differ from corresponding regulations specified for the underlying zoning district, the requirements of the Townsite Overlay District apply and control. The Townsite Overlay requirements do not affect the use regulations of the underlying zoning district.

When considering this rezone the Council evaluated the differences between the two districts; Townsite Overlay bulk regulations with underlying zoning regulations and underlying zoning regulations without the Townsite Overlay District. In the event that the subject property is ever removed from the Townsite Overlay boundary the underlying district regulations would apply.

The substantial differences in use, between GR and LB districts, are listed below.

In addition to the permitted uses allowed in General Residential, Limited Business also allows for the following additional permitted uses:

- lodging establishments
- professional offices, excluding veterinarians
- health care and social assistance
- real estate and property management companies
- catering services
- arts, entertainment and recreation uses (indoor and outdoor)
- Personal services where retail sales are clearly incidental to the principal use and no outside storage yard or facility is required
- semi public uses
- other educational services
- government offices and public administration, except correctional institutions
- PWSFs or WCFs, attached to street poles, upon the issuance of a wireless permit in accordance with the provisions of Article VIIA of the Hailey Zoning Ordinance.

Conditional uses allowed in LB and prohibited in GR district are as follows:

- Gasoline Stations and Automotive Repair and Maintenance
- Restaurants
- Wholesale distributors
- Convenience Stores
- Medical personal care stores
- Finance and insurance firms
- Construction contractors' offices with no exterior storage
- PWSF's and WCF's, mounted on any proposed freestanding tower (in GR it can be attached to street poles or mounted on existing buildings or structures, but not freestanding towers)

Accessory Uses allowed in LB, but prohibited in the GR district are as follows:

- Combustible liquid tanks.
- PWSF's and WCF's, mounted on existing buildings or structures.

The differences in bulk requirements can be evaluated separately, with and without regard to the Townsite Overlay District.

The difference in bulk requirements without consideration of the Townsite Overlay are as follows:

Bulk Regulations	LB	GR
Maximum townhouse sub-lots per acre	20	10
Maximum multi-family residential aggregate density	One (1) dwelling unit per 1/20 of an acre	One (1) dwelling unit per 1/10 of an acre
Maximum aggregate gross floor area for individual	36,000 square feet	N/A (Not a permitted use)

retail/wholesale trade or grouped retail/wholesale trade		
Riparian setback	N/A (No riparian setback)	Required
Maximum Lot Coverage	N/A (No maximum)	40%
Size of Detached Accessory Dwelling Unit	N/A (No minimum or maximum)	Minimum gross floor area of 300 square feet and a maximum of 950 square feet

The following are the bulk regulation differences between GR and LB, set forth in the Townsite Overlay District, Section 4.13.6 of the Hailey Zoning Ordinance:

Bulk Requirements	LB in Townsite Overlay	GR in Townsite Overlay
Maximum Building Height	35 feet	30 feet
Maximum Lot Coverage	70%	25-40% depending on building height and whether a garage is on-site
Maximum Lot Size	No maximum	18,000 square feet

Section 14.8 of the Hailey Zoning Ordinance allows for the rezone of certain parcels to be made conditional upon the owner or developer of the property making a commitment concerning the use or development of the subject parcel. Development Agreements have become standard with rezone approvals. For this proposed rezone it would be appropriate to have a Development Agreement that would, as an example, rezone the property to LB, but prohibit all conditional uses, excluding public uses and public service facilities. These types of uses are compatible and consistent with the current surrounding area and may be requested as a future use given that the property is owned by the City. In addition, a development agreement may specify that in the event that the Wood River Fire and Rescue ceases to use the property and the City does not redevelop with a public use, the property would revert back to GR. These conditions may help lessen any impacts felt by neighboring residential areas and may help preserve the residential character, if in the future the property's use were to change.

Standards of Evaluation

Section 14.6 of the Hailey Zoning Ordinance establishes the standards for proposed zoning ordinance map amendments. For each applicable standard (in bold print), the Hearing Examiner makes the following Findings of Fact:

- 1. The proposed amendment is in accordance with the Comprehensive Plan;**
The Council considered how the proposed use relates to the various policies and implementation items of the Comprehensive Plan, particularly the following:
 - The Comprehensive Plan Land Use Map reflects suitable projected land uses for the City. It considers existing conditions, trends, and desirable future situations, the objective being a balanced mix of land uses for the community. The Map establishes a basis and direction for the expansion and/or location of business,

residential, industrial, institutional and green space areas within and adjacent to the City. The Land Use Map depicts the area of the proposed rezone, as “Transitional – Mixed use, including residential, providing a buffer between residential neighborhoods and intense business use.”

	COMP PLAN DESIGNATION (LAND USE MAP)	ZONING DESIGNATION	LAND USE
Existing	Transitional	GR (General Residential)	Public Service Facility
Proposed	No Change	LB (Limited Business)	No change
North of site	Transitional	GR (General Residential)	Public Service Facility
South of site	Transitional	GR (General Residential), proposed to be LB (Limited Business)	Proposed Educational Service (previously a School)
East of site	Residential	GR (General Residential)	Lodging Establishment
West of site	Transitional	LB (Limited Business)	School District’s Recreational field

- Land Use Districts, Section 5.4 states, “Encourage integration of compatible land uses in order to retain a compact City comprised of a central downtown, with surrounding diverse neighborhoods, thereby reducing sprawl and traffic, increasing efficiency, and creating neighborhood and community character.”
- Land Use Districts, Section 5.6 states, “Provide adequate areas for institutional and public facilities, such as schools, senior care, medical, judicial and other community facilities, integrated within the community.”
- Due Process and Public Input, Section 5.8 states, “Proactively amend the Hailey Zone District map to resolve significant conflicts between the Land Use Map and the Zoning Map.” The Council determined that the rezone is compatible with the Land Use Map given that the property is shown as a “Transitional” area on the Land Use Map and the nature of the existing and continued use.

The Council referred to the purpose of the LB District to determine if the rezone is compatible with the Land Use Map given that the property is shown as a “Transitional” area on the Land Use Map and the nature of the proposed use. The Council determined that this service is at an appropriate location and it should be supported.

2. Essential public facilities and services are available to support the full range of proposed uses without creating excessive additional requirements at public cost for the public facilities and services;

The Wood River Fire and Rescue building exists and all services and utilities are established.

3. The proposed uses are compatible with the surrounding area; and

There is no proposed change in use. The current use is considered a Public Service Facility, which requires a CUP in either the GR or LB districts. The surrounding uses are a mix of residential, commercial, public and semi-public uses. While the properties to the north are zoned GR (General Residential), the subject property is near the southern edge of the GR-zoned properties; with approval of Blaine County School District's rezone, the property to the south will be zoned LB. The subject property is located within an area that transitions from residential to Main Street properties and uses. Properties located to the west of Lots 1-3 are zoned LB. The Council determined that the rezone is compatible with the surrounding area.

4. The proposed amendment will promote the public health, safety and general welfare.

It is not anticipated that there will be much public affect on the health, safety and general welfare, especially if a development agreement is pursued. The development agreement can help ensure even greater limits on the commercial uses that could occur on the subject property than what is afforded by the LB district. The rezone will help clean up the LB zoning area and create a more uniform and cohesive section of LB zoning. The Council determined that the public health, safety and welfare of the citizens of Hailey will be promoted by the rezone.

CONCLUSIONS OF LAW AND DECISION

Based upon the above Findings of Fact, the Council makes the following Conclusions of Law and Decision:

1. Adequate notice, pursuant to Section 14.4.1 of the Hailey Zoning Ordinance No. 532 and Idaho Code, Section 67-6511, was provided.
2. The Zoning Map amendment is in accordance with the Hailey Comprehensive Plan.
3. The Zoning Map amendment will promote the public health, safety and general welfare.
4. The proposed uses are compatible with the surrounding area.
5. Essential public facilities and services are available to support the full range of proposed uses without creating excessive additional requirements at public cost for the public facilities and services.
6. The Zoning Map amendment shall be subject to a Development Agreement, which specifies the following for Lots 1-3; Block 126, Hailey Townsite: 1) prohibit all conditional uses in the LB district (Section 4.5), excluding public uses and public service facilities, 2) in the event that the Wood River Fire and Rescue

ceases to use the property and the City does not redevelop with a public use, the property shall revert back to GR.

Signed this _____ day of _____, 2009.

Rick Davis, Mayor, City of Hailey

Attest:

Mary Cone, City Clerk

AGENDA ITEM SUMMARY

DATE: 9/23/09

DEPARTMENT: Library

DEPT. HEAD SIGNATURE: NG

SUBJECT

Motion to authorize the library to donation to Friends of the Hailey Public Library for their annual Book Sale, a large round children's table and four chairs and a small round work table. Also the approval to dispose of old shelving that came from the old library approximately fifteen years ago. We will dispose of the shelving through recycling if possible.

AUTHORITY: ID Code IAR _____ City Ordinance/Code _____

BACKGROUND:

The Hailey Public Library has reorganized the layout of the library floor and transferred the juvenile sections to the rear of the library. Additional shelving has been added. By doing this, there is now limited space for some of the miscellaneous furniture we currently have. There is also various pieces of older shelving that is not being utilized.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS

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

The Friends are paying for much of the expense of this project.

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:

Propose to approve the consent agenda to allow the Hailey Public Library to donate various items of furniture and shelving to the Friends of the Hailey Public Library or disposal if necessary. Both the Director and Assistant Director are in favor of this motion.

FOLLOW UP NOTES:

Many of these items have been purchased/donated by the Friends of the Hailey Public Library.

AGENDA ITEM SUMMARY

DATE: 09/28/09 DEPARTMENT: Public Works DEPT. HEAD SIGNATURE: 

SUBJECT:

Request approval for a Hailey Autocross Special Event on 10/03/09 at the Hailey Airport/Atlantic Aviation.

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code Chapter 12.14
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

ALL OF THIS EVENT WILL BE HELD ON PRIVATE PROPERTY.

See Event Flier For Race start times. -last page

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: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

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

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Special Event Heads approved with no further recommendations/conditions.

FOLLOW-UP REMARKS:



SPECIAL EVENT PERMIT APPLICATION

I. EVENT NAME: HAILEY AUTOCROSS #6261

II. LOCATION FOR EVENT (Be specific e.g., Hop Porter Park, all of 1st Avenue between Walnut and Pine, 115 Main St. S.):

Public Property Private Property

HAILEY AIRPORT / ATLANTIC AVIATION

III. EVENT SCHEDULE

Special Events are limited to four days, including set-up and tear-down days. No more than eight events per calendar year can be conducted by a single party or organization, unless a modification is granted by the City Council. Please submit your modification requests in writing and attach to your application.

Date(s) of Event	Hours	Estimated # of Attendees
OCT. 3RD	Start Time: <u>6:00 am</u> End Time: <u>6:00 pm</u>	One Hour Interval: All Day: <u>100</u>
	Start Time: _____ End Time: _____	One Hour Interval: All Day: _____
Date of Set-Up		
	Start Time: _____ End Time: _____	
Date of Tear Down		
	Start Time: _____ End Time: _____	

IV. FEES

Special Event Permit Application Fee	\$125	<input type="checkbox"/>	<u>125-</u>
Per Day Park Rental Fee	\$200	<input type="checkbox"/>	_____
Security Deposit	\$500	<input type="checkbox"/>	_____
Tax (on park rental fees only)	6%	<input type="checkbox"/>	_____
TOTAL DUE			<u><u>125-</u></u>
Additional Deposit Required		<input type="checkbox"/>	_____

V. ORGANIZATION INFORMATION

Applicant's Name: CHUCK CHRISTOPHER Title: _____

Mailing Address: 101 HYNDMAN CREEK RD, HAILEY Zip Code: 83333

Street Address: _____ City: _____ State: _____

Day Telephone: 788-1414 Evening Telephone: 788-1414

FAX Number: CEU-720-2727 E-Mail Address: chuckin.ketchum@aol.com

Applicant Driver's License #: _____

Sponsoring Organization: SNAKE RIVER SCCA

Non-Profit: Yes No Tax Exempt #: _____

Federal Tax #: _____ State Tax #: _____

VI. EVENT INFORMATION ^{TO HAILEY}
New Event: Yes No _____ Annual Event: Yes No _____ Years Operating _____

Event Category: Commercial Noncommercial

Estimate of Gross Ticket Sales & Revenues (commercial event only): 0

Description of Event:
RACE CARS IN PARKING LOT - AUTOCROSS - ONE CAR
AT A TIME - RACING FOR TIME.

Additional Details:

VII. INSURANCE REQUIREMENTS

It is the responsibility of your Special Event organizers to maintain a COMPREHENSIVE GENERAL LIABILITY insurance policy with coverage of not less than \$1,000,000.00 combined single limit per occurrence. Each policy shall be written as a primary policy, not contributing with or in excess of any coverage which the City may carry. *A certificate naming the City of Hailey, Blaine County, Idaho as additional insured shall be delivered to the City of Hailey with this application.* The adequacy of all insurance required by these provisions shall be subject to approval by the City Clerk. Failure to maintain any insurance coverage required by this agreement shall be cause for immediate termination of the application.

Insurance Company: _____ Agent Name: _____

Address: _____ Phone: _____

HOLD HARMLESS CLAUSE

Permittee (organization/applicant) shall indemnify and hold harmless the City of Hailey, its agents, its employees and authorized volunteers from and against all claims, damages, losses and expenses, including attorney's fees, arising out of the permitted activity or the conduct of Permittee's operation of the event if such claim (1) is attributable to personal injury, bodily injury, disease or death, or to injury to or destruction of property, including the loss of use there from, and (2) is not caused by any negligent act or omission of willful misconduct of the City of Hailey or its employees acting within the scope of their employment.

(Attach any additional pages as needed)

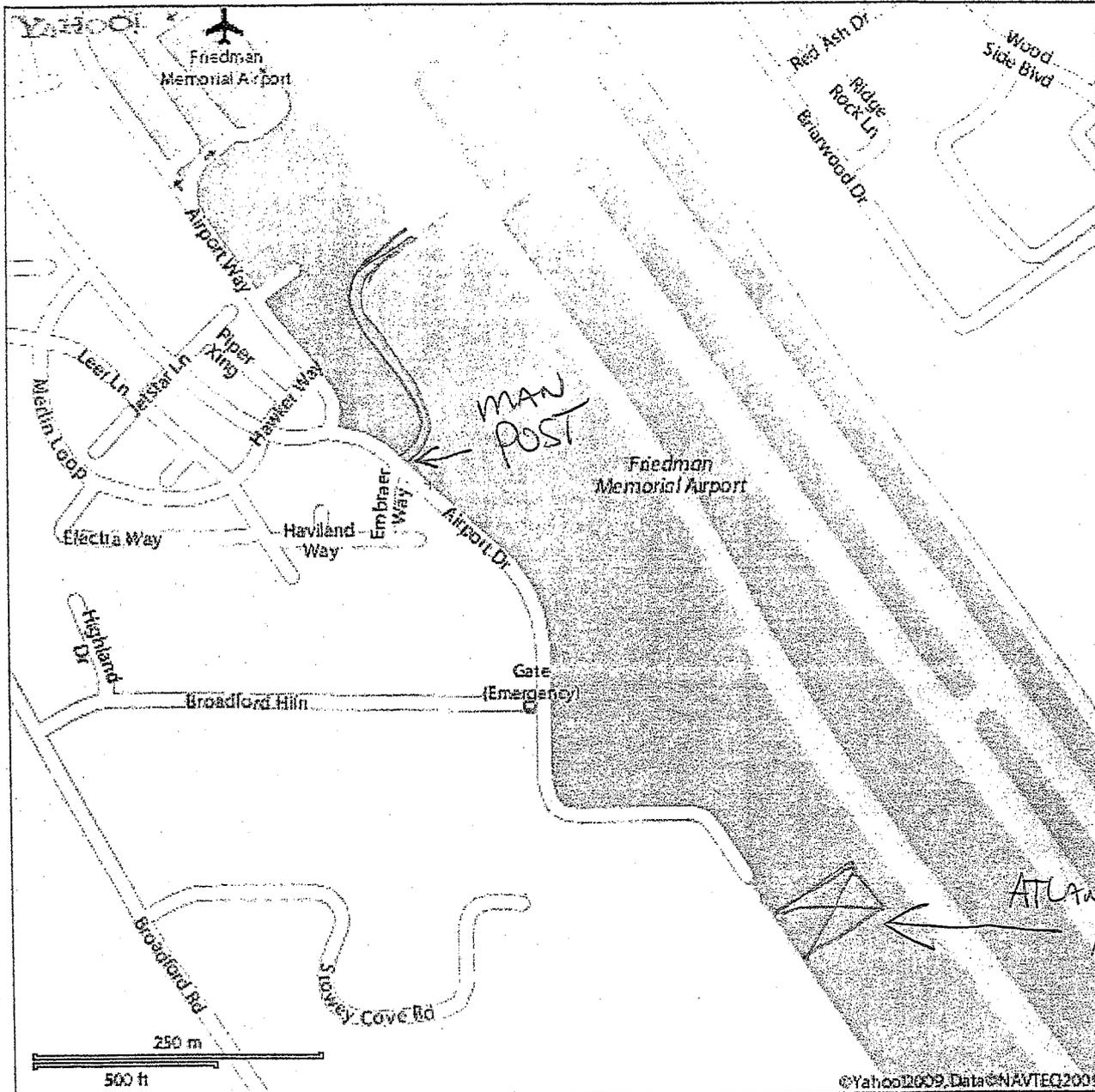
SPECIAL EVENT ACTIVITIES & CITY SERVICES REQUESTED

Your Event Organizer is responsible for providing a complete list of event activities including a list of suppliers providing services. An event logistics map is required, detailing the location for all road closures, event set up, canopies, stages, vendors, booths, and any other major services or activities planned.

Yes	No	Check all Planned Activities	Yes	No	Check all Planned Activities
	<input checked="" type="checkbox"/>	Street Closures & Access / Parade Detailed map listing areas of closure, parade route is required. An ITD permit is required for Main Street.		<input checked="" type="checkbox"/>	Alcohol Served (Free of Charge) (name of provider)
	<input checked="" type="checkbox"/>	Street Closures & Access /Parade require your Event Coordinator to notify all affected businesses, churches schools and neighborhoods	<input checked="" type="checkbox"/>		Alcohol Sold Requires Alcohol Beverage Catering Permit (Hailey Code 5.13)
	<input checked="" type="checkbox"/>	Street Closures & Access /Parade require your Event Coordinator to notify all affected businesses, churches schools and neighborhoods			Food/Beverages will be served (List Caterers): <i>Senior Center?</i>
#	<input checked="" type="checkbox"/>	Canopies/Tents/Membranes/Temporary Structures (Number & Size(s) City of Hailey Fire Department, Fire Code Enforcement	#	<input checked="" type="checkbox"/>	Vendors items sold/ solicitation
	<input checked="" type="checkbox"/>	Medical Services (Circle) First Aid and/or EMS Services Who is providing services? _____	#	<input checked="" type="checkbox"/>	
#	<input checked="" type="checkbox"/>	Security (detail who, number of officers, times. Attach plan)	#	<input checked="" type="checkbox"/>	Booths: Profit / Non-Profit
	<input checked="" type="checkbox"/>	Traffic Control / Shuttle Buses (Number of buses / locations / hours of operation, attach plan.)		<input checked="" type="checkbox"/>	Lighting plan: attach plan
#	<input checked="" type="checkbox"/>	Electricity / Generators (Size _____) Attach detailed electrical plan.		<input checked="" type="checkbox"/>	Activities / Entertainment (Agenda) Other equipment or entertainment
	<input checked="" type="checkbox"/>	Water Drinking / Washing (circle)		<input checked="" type="checkbox"/>	Signs or Banners: sign permit may be required by the City Planning and Zoning Department
	<input checked="" type="checkbox"/>	Gray Water Barrel / Grease Barrel (circle /detail # and locations)	#	<input checked="" type="checkbox"/>	Stages (Number and Size(s) _____)
	<input checked="" type="checkbox"/>	Sanitation -Trash bins, Dumpsters, Recycle (circle /detail # and locations)	#	<input checked="" type="checkbox"/>	Barricades. How many identify locations and attach logistics map
#	<input checked="" type="checkbox"/>	Porta Toilets / Wash Stations (Quantity ADA Regular)	#	<input checked="" type="checkbox"/>	EVENT estimated attendance
	<input checked="" type="checkbox"/>		#	<input checked="" type="checkbox"/>	Number of staff working event <i>None Paid</i>
	<input checked="" type="checkbox"/>		#	<input checked="" type="checkbox"/>	Number of volunteers working

I hereby certify that I have read and will abide by the laws, rules and regulations set forth by the City of Hailey, Blaine County, and the State of Idaho, and in signing this application, I hereby agree that I and the organization I represent, shall hold the City of Hailey and all of its agents or employees free and blameless from any claim, liability or damage which may arise from use of City facilities or equipment, whether or not the City of Hailey, its agents or employees are jointly negligent. I further agree to promptly reimburse the City of Hailey and all of its agents for any clean up loss or damage to City property resulting from this use, as well as permitting, staffing, equipment use/rental, property use/rental, clean up, inspections involving the use of public property, public employees or public equipment for the Special Event. In the event the deposit exceeds the actual charges, the City Clerk shall refund the balance to the applicant.

Map of Hailey, ID



When using any driving directions or map, it's a good idea to do a reality check and make sure the road still exists, watch out for construction, and follow all traffic safety precautions. This is only to be used as an aid in planning.

Hayes Autocross

CHUCK CHRISTOPHER

720-2727

On October 3rd, Freidman Airport and Atlantic Aviation will host Snake River SCCA for a day of autocross and... residents of the Wood River Valley are invited to bring their cars and chase cones. The course will be set with traffic cones on the asphalt where airplanes are parked and tied down. (Business at the airport and commercial runway will not be shut down)

Everyone is welcome and the cost is minimal.

To enter all you need is a car and a valid driver's license. Anyone under 18 years old will need both legal parents to sign a release at the event. The car will be required to pass "tech". Tech will be performed by SCCA members. They will be looking for cars in good working order. Specifically, they will look for:

1. Loose wheels or bearings
2. Insecurely held down batteries, a rubber cover over the positive post.
3. Messy cars – including the trunk. "NO" loose projectiles.
4. Seatbelts and attachment points in good working order.
5. Underinflated tires or tires with cords showing.
6. Cars with fluid leaks.
7. A Snell 2000 approved helmet is required, some loaner helmets are available if you don't have one.

Course walking will begin at 7:00 a.m. Sign up will begin at 8:00 a.m. and will close at 9:00 a.m. There will be a drivers' meeting around 9:30. At the driver's meeting, drivers will be split into two groups. This allows everyone who drives to work the course when not driving. The first car will start at about 10:30 a.m. Everyone will get four morning runs followed by a lunch break. After lunch everything is repeated with four more runs for every driver. The best part..... only your fastest run counts.

For information : Chuck Christopher 788-1414
chuckinketchum@aol.com

Chuck:

We need to get this Special Event Permit submitted to the City chop, chop.
See the attachment.

When you are ready, we can provide airport proof of insurance. We will also float the \$125.00 permit fee and just have you guys reimburse us when appropriate.

Again, we need to get this app into them really quick.

#2, The Senior Center will do food and beverage. They are thinking 11am to 4pm. Your thoughts? 

I'm thinking we should all get together again on Thursday, Sept 17 at 10am here at the airport. Everybody - comments?

Pete

FIRST ANNUAL

Hailey Autocross October 3rd 2009

Hailey, Idaho

Freidman Memorial Airport

280yds x 150yds Driving Surface

Registration/Tech Starts at 8:00

Closes at 9:00

Drivers Meeting 9:30

First Car out at 10:30 a.m.

---COME OUT AND KILL SOME CONES---

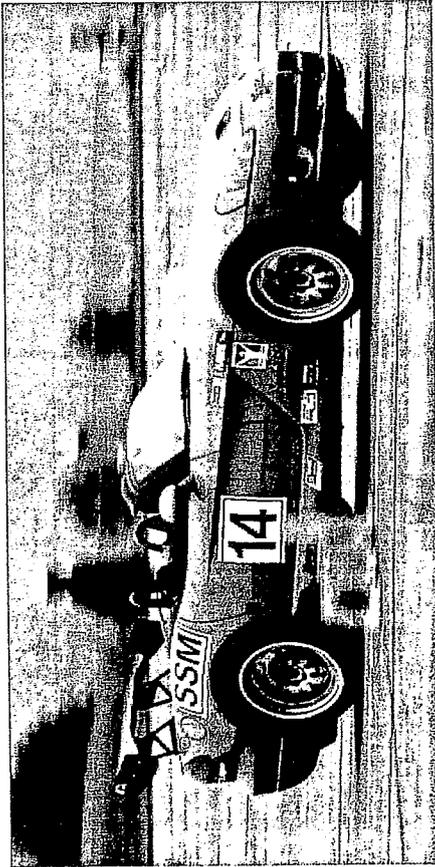
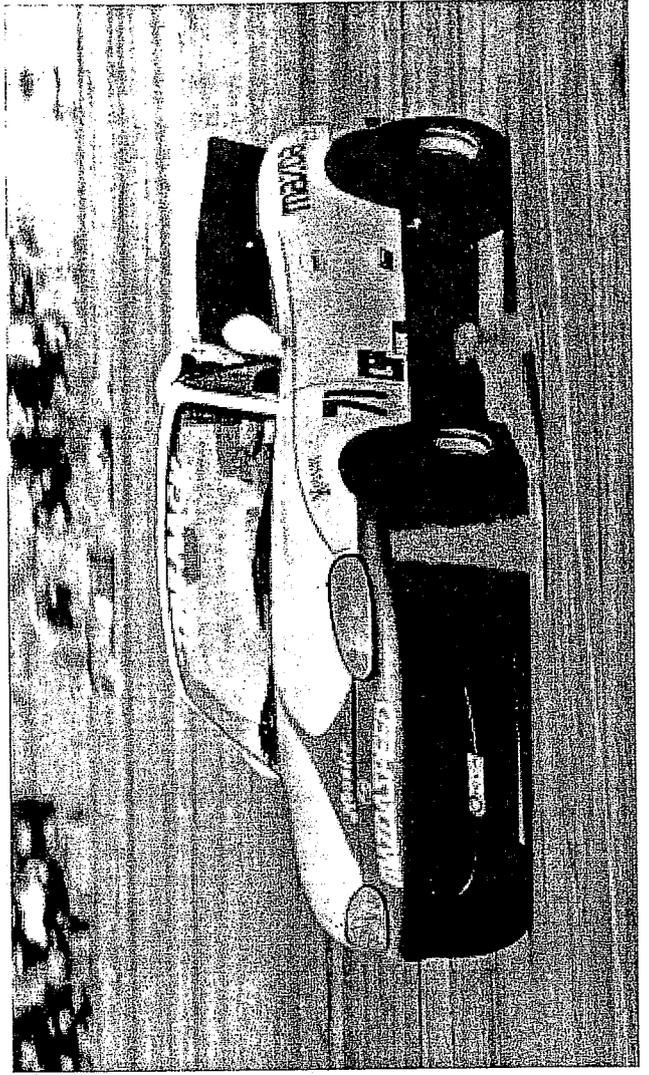
Contact - Chuck Christopher 208-788-1414

"Don't be afraid to call me"

chuckketchum@aol.com

www.snakeriverscca.com

www.idahomotorsports.com



AGENDA ITEM SUMMARY

DATE: 09/28/09 DEPARTMENT: Public Works

DEPT. HEAD SIGNATURE: 

SUBJECT:

Request approval for an amendment to the already approved permit dated 09/14/09. Hailey Halloween Hoopla Special Event on Main Street, Old Mercantile & Meriwether Merchants, Liberty Theatre and KB's to take place on October 31, 2009, 3:00PM – 6:00 PM.

Please see attached letter requested a Kiddy Haunted House in the open space adjacent, north to the Willis Building.

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

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

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	__XX	Engineer	__XX
___ Building	___ Library	__XX	Planning	__XX
___ Safety Committee	___ P & Z Commission	__XX	Police	
___ Streets	___ Public Works, Parks	__XX	Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

FOLLOW-UP REMARKS:



RECEIVED

September 23, 2009

Mary Cone
Hailey City Clerk
115 Main Street South
Hailey, Idaho 83333

Dear Mary:

Please consider a change to our Hailey Halloween Hoopla permit approval dated September 14. Kids from the Dual Immersion Program at school, and the Soldier Mountain All-stars Cheerleading Team would like to do a kiddy haunted house in the open space adjacent, north to the Willis Building. There will be no fire, and no construction other than hanging sheets to make different rooms.

Thanks in advance for your consideration.

A handwritten signature in black ink, appearing to read "Jim Spinelli".

Jim Spinelli
Executive Director
Hailey Chamber of Commerce

Hailey Chamber of Commerce
309 S. Main Street
P.O. Box 100 Hailey, Idaho 83333
Phone: (208) 788-3484
Fax: (208) 578-1595
www.hailevidaho.com