

AGENDA ITEM SUMMARY

DATE: 11/18/2013

DEPARTMENT: Legal

DEPT. HEAD SIGNATURE: _____

SUBJECT:

Airport Discussion

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

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

I have been advised by the mayor that he wants to discuss a request by FAA to expand beyond the current footprint of the Friedman Memorial Airport. To assist in this discussion, I am attaching the most recent version of the Joint Powers Agreement ("JPA") for the Friedman Memorial Airport Authority. I have noted the pertinent language in the JPA on pages 1 and 2. The JPA recognizes that the boundaries of the Friedman Memorial Airport will not be expanded. I anticipate that e-mails will be added to the packet outlining the specific request to purchase further land.

Ned

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)

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

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Discuss the request to expand beyond the current footprint and provide guidance to the Hailey's FMAA members.

FOLLOW-UP REMARKS:

JB

AMENDED AND RESTATED JOINT POWERS AGREEMENT

Friedman Memorial Airport Authority

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

RECITALS

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

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

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

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

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

WHEREAS, the County and the City have agreed not to expand the Existing Airport; and
WHEREAS, the County and the City seek the highest quality and safest airport possible within the physical limits imposed by the geography of the Existing Airport location; and

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

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

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

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

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

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

ARTICLE I

DEFINITIONS, PURPOSE, AND AUTHORITY

Section 1.1: DEFINITIONS

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

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

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

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

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

City Council means the City Council of the City.

Commercial means regularly-scheduled airline activities.

County means Blaine County, Idaho.

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

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

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

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

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

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

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

Section 1.2: PURPOSE

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

Section 1.3: AUTHORITY

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

ARTICLE II

DURATION, AMENDMENT, AND TERMINATION

Section 2.1: DURATION

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

Section 2.2: AMENDMENT

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

Section 2.3: TERMINATION

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

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

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

ARTICLE III

CREATION OF AIRPORT AUTHORITY

Section 3.1: AIRPORT AUTHORITY

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

Section 3.2: GOVERNING BOARD

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

Section 3.3: TERMS OF OFFICE

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

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

Section 3.4: OFFICERS

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

Section 3.5: BYLAWS, MEETINGS

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

ARTICLE IV

POWERS OF THE AUTHORITY

Section 4.1: POWERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18. To maintain and administer recordkeeping and management functions.

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

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

Section 4.2: LIMITATIONS ON POWERS

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

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

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

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

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

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

ARTICLE V

FINANCE AND BUDGET

Section 5.1: ANNUAL BUDGET

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

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

Section 5.2: AIRPORT FUNDS

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

ARTICLE VI

COVENANTS AND RESTRICTIONS

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

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

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

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

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

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

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

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

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

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

ARTICLE VII

POWERS AND OPERATION
DURING PLANNING FOR A REPLACEMENT AIRPORT

Section 7.1 PLANNING PERIOD

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

Section 7.2 GOVERNING BOARD; VOTING

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

Section 7.3 TERMS OF OFFICE

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

Section 7.4 QUORUM/PARTICIPATION

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

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

Section 7.5 DELIBERATIONS AND DECISIONS

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

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

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

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

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

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

Section 7.6 MATTERS REQUIRING JOINT DECISION

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

Section 7.7 CONCLUSION OF PLANNING

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

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

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

ARTICLE VIII

MISCELLANEOUS

Section 8.1: TERMINATION OF PRIOR AGREEMENTS

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

Section 8.2: ENFORCEMENT OF RULES AND REGULATIONS

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

Section 8.3: INVALIDITY

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

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

Section 8.4: EFFECTIVE DATE

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

BLAINE COUNTY, IDAHO

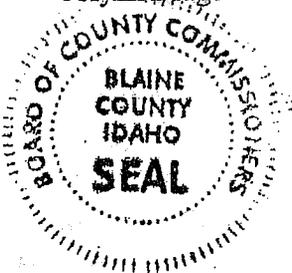
By Angie McCleary
Angie McCleary, Chairman

Tom Bowman
Tom Bowman, Commissioner

Lawrence Schoen
Lawrence Schoen, Commissioner

BLAINE COUNTY CLERK

By: Jolynn Drage
Jolynn Drage



CITY OF HAILEY
Blaine County, Idaho

By Richard L. Davis
Richard L. Davis, Mayor

ATTEST:

Mary Cone
Mary Cone, City Clerk

Approved By:

AUTHORITY



By Tom Bowman
Tom Bowman, Chairman

AGENDA ITEM SUMMARY

DATE: 11/18/2013 DEPARTMENT: DEPT. HEAD SIGNATURE: NW and HD and MC

SUBJECT:

1% Air LOT Implementation

AUTHORITY: ID Code _____ IAR _____ City Ordinance NO.1133
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Hailey and other cities adopted a Joint Powers Agreement prior to approving the 1% LOT ballot. Implementation of the LOT, the JPA, and the Air Services Board will occur over the next two months. Information is attached for city council discussion and decision.

Tonight's Council action items include:

- Adoption of Resolution canvassing election for Hailey City Council Seats 1 and 2, and 1% Air LOT
- First Reading of Ordinance 1133, adopted by voters on November 5, 2013
- Discussion of implementation of JPA; establishment of criteria for Air Service Board appointments

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

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ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

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___ Library	___ Planning	___ Fire Dept.	_____
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RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

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- First Reading of Ordinance 1133, adopted by voters on November 5, 2013
- Discussion of implementation of JPA; establishment of criteria for Air Service Board appointments

FOLLOW-UP REMARKS:

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MEMORANDUM

TO: Hailey Mayor and City Council Members
FROM: Ned C. Williamson
DATE: November 18, 2013
RE: LOT Ordinance

As you know, the voters have approved of a one percent (1%) increase on the local option tax on hotel/motel occupancy and car rentals. With this approval, I would suggest that Hailey takes the following actions:

1. Adopt Ordinance No. 1133 and conduct the first reading. Ordinance No. 1133 has an effective date of January 1, 2014. Consequently, there will be ample opportunity to conduct three readings of the ordinance and publish the ordinance before the effective date. I will present a summary of Ordinance No. 1133 for approval at the last meeting.

2. Adopt Resolution No. 2013-82 to proclaim the results of the election. See attached resolution.

3. Hailey will need to adopt criteria for the selection of its member on the Air Service Board ("Board"). We have already adopted a Joint Powers Agreement ("JPA") which will govern the operations of the Board. A copy of the JPA is attached. Under the JPA, Hailey needs to adopt criteria for the selection of the Board member subject to certain minimal qualifications established by the JPA. The JPA requires that a) the Board member be eighteen years or older, b) the Board member be appointed without consideration of political affiliation or religious denomination, c) the Board member serve without compensation and d) the Board member not have a financial interest in contracts with or be employed by the Board. *See JPA, Section 2.* As recognized by the JPA, the Board will have a limited scope of operation. *See JPA, Section 6.* In light of these parameters, I have drafted criteria for the selection of the Board member. As you can tell by the criteria, I have essentially used the same criteria set forth in the JPA as criteria to be used in the selection of the Hailey representative.

4. Once the criteria are adopted, then Hailey should select its member on the Board.

An organizational meeting was conducted on November 13. Heather Dawson and Micah Austin attended, and report the information from that meeting on Page 3 of this memo.

cc: Heather Dawson (w/ encl.)
Micah Austin (w/ encl.)

SELECTION CRITERIA FOR AIR SERVICE BOARD

Hailey's representative on the Sun Valley Air Service Board ("Board") shall be appointed by the Hailey Mayor with the consent and approval of the Hailey City Council. The Board member shall be appointed for a one (1) year term and shall serve without compensation.

Criteria:

1. The Board member shall be eighteen years or older.
2. The Board member shall be appointed without consideration of political affiliation or religious denomination.
3. At the time of appointment, the Board member shall not have and shall not reasonably be expected to have a conflict of interest as a member on the Board. Consistent with the Ethics in Government Act (*Idaho Code §§ 59-701 et seq.*), a conflict of interest shall be defined as any official action or any decision or recommendation by the member on the Board, the effect of which would be to the private pecuniary benefit of the member or a person within member's household, or a business with which the member or a person within the member's household is associated, unless the pecuniary benefit arises out of the following:
 - (a) An interest or membership in a particular business, industry, occupation or class required by law as a prerequisite to the holding by the person of the office or position;
 - (b) Any action in the member's official capacity which would affect to the same degree a class consisting of an industry or occupation group in which the member or a person within the member's household or business with which the member is associated, is a member or is engaged;
 - (c) Any interest which the member has by virtue of his/her profession, trade or occupation where his/her interest would be affected to the same degree as that of a substantial group or class of others similarly engaged in the profession, trade or occupation;
 - (d) Any action by the member upon any revenue measure, any appropriation measure or any measure imposing a tax, when similarly situated members of the general public are affected by the outcome of the action in a substantially similar manner and degree.

STAFF ORGANIZATIONAL for JPA and Air Services Board Implementation

Staff members from the Cities of Hailey, Ketchum, and Sun Valley, Fly Sun Valley Alliance and the Sun Valley Marketing Alliance met to discuss implementation details relative to the LOT JPA and the Air Services Board. Points of discussion included the following:

Name/Acronym – a request was made that an acronym not be used for the Air Services Board, as there are so many acronyms with the same letters.

Appointment Criteria - A discussion of appointment criteria was held; the contribution by Ned Williamson was appreciated and will largely be modeled by other cities as a strong base, with the potential addition of other criteria. All other entities expressed a strong desire that elected officials be appointed to the board.

Board Voting Percentage - The JPA calls out voting percentages for 2014 based on LOT collected in the ballot categories during FY 2013. The percentages, if rounded to a whole number, give Ketchum 50% of voting power and in simple majority issues, if Ketchum disagrees with Hailey and Sun Valley, tie votes would ensue. Not rounded to a whole number, the voting percentages calculations create a scenario wherein two cities would need to agree to reach a simple majority, and Ketchum and Sun Valley would need to agree to reach a super-majority. Hailey's vote would not be influential in super-majority voting categories, only in simple majority. These percentages will change in subsequent years, based on LOT collection.

Air Services Board JPA Voting Calculations for 2014

Total LOT collected in FY12:

Ketchum	\$1,774,378
Sun Valley	\$1,248,522
Hailey	\$ 180,385 (collected on lodging and car rentals)
Total LOT collected	\$3,203,285

Percent of Total LOT collected

Each city's percentage of total LOT multiplied by 90%

Ketchum	55.4%	Ketchum	= (.554 x .9) = 49.8%
Sun Valley	39.0%	Sun Valley	= (.390 x .9) = 35.1%
Hailey	5.7%	Hailey	= (.057 x .9) = 5.1%
Total	= 100%	Total	= 90%

Add 10% to Hailey's figure:

Ketchum	= 49.8%
Sun Valley	= 35.1%
Hailey	= 5.1% + 10% = 15.1%
Total	= 100%

Staffing/Contracts for Services – Under the JPA, the Air Services Board will not have staff, but will enter into contracts for services. These will likely include bookkeeping services, administrative services such as meeting notices, agenda postings, and minutes production, legal services, as well as the contracts for services for maintain and increasing air service and air service marketing. In a spirit of cooperation and to keep start-up overhead low, various cities offered to examine whether assisting in certain services would be helpful during start-up. Meetings may be rotated around different cities, and the hosting city would produce minutes. Ketchum staff would possibly handle meeting notices and agendas, SV staff may handle accounting work, Hailey staff may handle legal coordination. The legal work itself would be contracted and paid, and we offered Hailey's attorney to perform legal work.

Logistics of Collecting and Reporting the LOT Tax – Businesses will not be asked to separate the tax. The Clerk or Treasurers of each city receiving the tax will calculate the correct amount, receipt it directly into its own line item, and report the tax separately. Before the tax is remitted to the Air Services Board, direct costs incurred by each city in collecting the tax will be deducted. The first tax will be collected near the end of February, and distributed in March 2014.

RESOLUTION NO. 2013-82

A RESOLUTION OF THE CITY OF HAILEY, IDAHO, ACCEPTING THE CANVASSED ELECTION RESULTS FROM THE BLAINE COUNTY BOARD OF COMMISSIONERS AND PROCLAIMING THE RESULTS OF THE SPECIAL MUNICIPAL ELECTION HELD ON TUESDAY NOVEMBER 5, 2013, AS FINAL.

WHEREAS, consolidation of elections became effective January 1, 2011. Pursuant to Section 34-1401, Idaho Code, all municipal elections shall be conducted by the county clerk of the county wherein the city lies, and elections shall be administered in accordance with the provisions of Title 34, Idaho Code.

WHEREAS, that a general election was held in and for the City of Hailey, Idaho, on Tuesday, November 5, 2013 for the purpose of a ballot measure to increase the Local-Option Non-property Sales Tax by 1% for car rental and hotel rooms for maintaining and increasing commercial air service.

WHEREAS, the City Council presented the following question to the voters:

“Shall the City of Hailey, Idaho (the “City”) adopt Ordinance No. 1133, which shall provide for the imposition and collection of, for a period of five (5) years from its effective date of January 1, 2014, certain local-option non-property taxes to raise the current rates of LOT as follows:”

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

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

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

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

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

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

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

all as provided in Ordinance No. 1133 approved by the Hailey City Council on August 26, 2013?

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

The said election was duly held during the hours prescribed at the polling place designated. The Official Ballots prepared and distributed by the Blaine County Clerk, were used by the Voters at said Election for casting their votes.

The Blaine County Board of Commissioners canvassed the November 5, 2013 Election Results on Tuesday, November 12, 2013. Attachment A has Election Results by Precinct and Voting Statistics by Precinct.

The City Council of the City of Hailey, Idaho, hereby accepts the canvassed election results from the Blaine County Board of Commissioners and proclaims the results of the Municipal Election held in the City of Hailey, Idaho, on Tuesday, November 5, 2013, as final.

ABSTRACT

LOCAL OPTION TAX – 60% NEEDED TO PASS

IN FAVOR	578	66.1%
AGAINST	<u>296</u>	33.9%
Total	874	
Registered Voters at Cutoff	2,307	
Election Day Registrants	46	
Total Registered Voters	2,363	
Number of Ballots Cast	657	

PASSED BY THE CITY COUNCIL this 18th day of November 2013.

SIGNED BY THE MAYOR AND THE CITY CLERK this 18th day of November 2013.

Fritz X. Haemmerle
Mayor

ATTEST:

Mary Cone
City Clerk

Attachment "A"

OFFICIAL ELECTION CANVASS NOVEMBER 5, 2013

Precinct	Hailey Council Seat 1		Hailey Council Seat 2		Hailey LOT	
	Burke	Denekas	Keim	Moore	In Favor	Against
007 - NW Hailey	107	44	106	38	118	42
008 - NE Hailey	128	68	126	60	132	72
009 - SW Hailey	119	56	112	59	120	60
010 - NW Woodside	46	33	46	32	57	30
011 - SE Woodside	54	34	60	25	52	46
Absentee	98	40	88	45	99	46
City Total	552	275	538	259	578	296

Attachment 'A'

OFFICIAL ELECTION CANVASS NOVEMBER 5, 2013

Precinct	Total Number of Registered Voters at Cutoff	Early Voting Election Day Registrations	Election Day Registrants Form Polls	Total Number of Registered Voters	Early Voting / Absentee Ballots Cast	Ballots Cast at Polls	Total Number of Ballots Cast	Percent of Registered Voters that Voted
002 Sun Valley	945	5	14	964	116	312	428	44.40%
003 N Ketchum	938	8	67	1013	136	474	610	60.22%
004 S Ketchum	1103	10	100	1213	101	617	718	59.19%
007 NW Hailey	798	4	16	818	41	161	202	24.69%
008 NE Hailey	785	3	15	803	33	206	239	29.76%
009 SW Hailey	724	3	15	742	34	182	216	29.11%
010 NW Woodside	635	3	8	646	20	87	107	16.56%
011 SE Woodside	717	1	9	727	19	99	118	16.23%
013 Bellevue	971	2	3	976	13	44	57	5.84%
014 Carey	464	0	4	468	1	42	43	9.19%
County Total	8080	39	251	8370	514	2224	2738	32.71%

Attachment 'A'

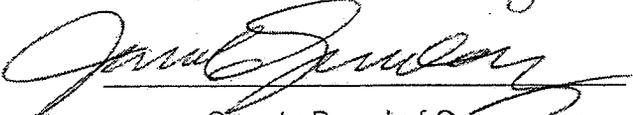
STATE OF IDAHO

} ss.

COUNTY OF BLAINE

We, the commissioners of the county and state aforesaid, acting as a Board of Canvassers of Election, convened on November 12, 2013, do hereby state that the attached is a true and complete abstract of all votes cast within this county for the candidates and/or questions as they appeared at the election held on November 5, 2013, as shown by the records now on file in the County Clerk's office.

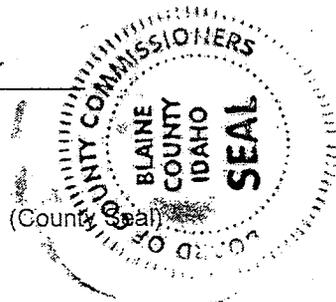


Angus McLean


Janet Brundage
County Board of Canvassers

Attest: 

Lynn Krage
County Clerk



HAILEY ORDINANCE NO. 1133

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

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

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

WHEREAS, on November 5, 2013, the voters of the City of Hailey approved of the adoption of Hailey Ordinance No. 1133 with an affirmative vote by 66.1% of the voters.

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

Section 1. Section 5.32.030 of the Hailey Municipal Code is amended by the addition of the underlined language and by the deletion of the stricken language, as follows:

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

(A) Rental Vehicle Tax: A tax is hereby imposed at the rate of ~~three~~ four percent (~~33~~34%) on the Rental Vehicle Charge for each Rental Vehicle rented or leased within the City. The Rental Vehicle tax shall apply to and be computed on the rental of all Rental Vehicles including all credit, installment, conditional or similar rental or lease fees at the time the Rental Vehicle Charge is charged. The Rental Vehicle tax shall be collected by the owner or his authorized agent from the renter or lessee.

(B) Hotel-Motel Occupancy Tax: A tax is hereby imposed at the rate of ~~three~~ four percent (~~33~~34%) on the Room Occupancy Charge for each Hotel-Motel room or living unit rented or leased within the City. The Hotel-Motel occupancy tax shall apply to and be computed on the rental of all Hotel-Motel rooms including all credit, installment, conditional or similar rental or lease fees at the time the Room Occupancy Charge is charged. The Hotel-Motel occupancy tax shall be collected by the owner of the Hotel-Motel or his authorized agent from the renter or lessee.

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

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

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

Rental Vehicle and Hotel-Motel Occupancy Taxes (~~3~~4%)

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

(Each whole dollar \$0.034)

Liquor By-The-Drink Tax (2%)

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

(Each whole dollar \$0.02)

Restaurant Food Tax (1%)

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

(Each whole dollar \$0.01)

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

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

Section 2. Section 5.32.040 of the Hailey Municipal Code is amended by the addition of the underlined language and by the deletion of the stricken language, as follows:

5.32.040 Duration of Taxes. Except as otherwise provided herein, The non-property taxes authorized and collected under this ordinance are hereby imposed for a duration of twenty (20) years from the effective date of this ordinance. The one percent (1%) increase authorized by Ordinance 1133 for the non-property taxes collected for Rental Vehicle and Hotel-Motel Occupancy Taxes is hereby imposed for a duration of five (5) years after January 1, 2013.

Section 3. Section 5.32.050 of the Hailey Municipal Code is amended by the addition of the underlined language, as follows:

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

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

The non-property tax revenue derived from and collected under this ordinance for the one percent (1%) increase for the non-property taxes collected for Rental Vehicle and Hotel-Motel Occupancy Taxes authorized by Ordinance No. 1133 shall be used for the following purposes:

- (A) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees or other inducements to providers;
- (B) promoting and marketing the existing service and any future service to increase passengers;

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

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

Section 4. If any section, paragraph, sentence or provision hereof or the application thereof to any particular circumstances shall ever be held invalid or unenforceable, such holding shall not affect the remainder hereof, which shall continue in full force and effect and applicable to all circumstances to which it may validly apply.

Section 5. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 6. This Ordinance shall be in full force and effect on January 1, 2014, after its passage, approval and publication according to law.

ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED BY THE MAYOR
this _____ day of December, 2013.

Fritz X. Haemmerle, Mayor
City of Hailey

ATTEST:

Mary Cone
Hailey City Clerk

AGENDA ITEM SUMMARY

DATE: 11/18/13 DEPARTMENT: PW - Wastewater DEPT. HEAD SIGNATURE: [Signature]

SUBJECT: Public Hearing on Resolution 2013-84 lowering wastewater rates for the billing month of November, 2013, which were designed to be collected for a five month period from May-September, 2013

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

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

In May, 2013 the City Council approved an increase in the wastewater rates to fund the engineering costs for the biosolids project. The intent was for this increase to be in effect through September. The City has been focused on developing revised methods for determining both water and wastewater rates, and during the October discussions of this new method, a revision to the wastewater rates to remove the May increase did not occur. In order to correct for this the rates in the attached resolution have been adjusted to a lower rate to provide a "refund" to customers.

By using the approved Wastewater budget and calculating rates based on the previous method of setting rates the monthly base rate decreases from \$13.59 to \$12.93. The rate per 1,000 gallons would drop from \$5.97 to \$5.23. Subtracting the \$2.03 May increase from \$5.23 results in a rate per 1,000 gallons of \$3.20 for the month of November.

This resolution is adopted to be effective on November 1, 2013, and adjusts rates for both October and November by providing a decreased rate as outlined above and will be seen with the next billing.

The other rate resolutions being considered by the council tonight are under the new method implemented by Ordinance 1139, and will be effective November 25. Customers will see that billing in early January, and will be given time and information in advance to modify their usage to save costs.

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 Administrator | <input type="checkbox"/> Library | <input type="checkbox"/> Benefits 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:

Motion to approve Resolution 2013 - 84

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./Agrmt./Order Originals: Record
Copies (all info.): _____
Instrument # _____

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

WASTEWATER RATE HISTORY

Description	April, 2013	May - October, 2013	November, 2013	December, 2014
Base Rate	\$13.59	\$13.59	\$12.93	\$0.00
Rate/1,000 gallons	\$3.94	\$5.97	\$3.20	\$7.78
Bond Payment	\$6.43	\$7.31	\$7.31	\$7.37
Total 1,000 Monthly Bill	\$23.96	\$26.87	\$23.44	\$15.15
Total 2,000 Monthly Bill	\$27.90	\$32.84	\$26.64	\$22.93
Total 4,000 Monthly Bill	\$35.78	\$44.78	\$33.04	\$38.49
Total 6,000 Monthly Bill	\$43.66	\$56.72	\$39.44	\$54.05
Total 10,000 Monthly Bill	\$59.42	\$80.60	\$52.24	\$85.17

HAILEY RESOLUTION NO. 2013-84

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

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

WHEREAS, the construction and maintenance of a municipal wastewater system is a valid proprietary function of the City of Hailey;

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

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

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

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

WHEREAS, the user fees imposed by this resolution are intended to make the system self-supporting and produce revenues for the payment of indebtedness;

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

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

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

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

SCHEDULE OF WASTEWATER FEES AND CHARGES

1. Connection Fees – §13.04-140.

Wastewater Department: Wastewater connection fees shall be \$3,559 per equivalent connection.

2. Service Connection Inspection Fee.

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

3. Wastewater Department User Base Monthly Charges – Metered Accounts – §§ 13.04.130(B)(1) and (4).

Wastewater user monthly charges shall total \$20.30 per month, a set fee established by the Hailey City Council. The portion of that fee collected for bond retirement purposes shall be \$7.37 per connection per month. The portion of that fee for system maintenance and operation shall be \$12.93 per connection per month.

4. Wastewater Department User Base Monthly Charges – Residential Non-Metered Accounts – §13.04.130(B)(3).

New construction residential Wastewater user monthly charges shall total \$39.50 per month, a set fee established by the Hailey City Council. The portion of that fee collected for bond retirement purposes shall be \$7.37 per connection per month. The portion of that fee for system maintenance and operation shall be \$32.13 per connection per month.

5. Metered Charge – Wastewater – §13.04.130(B)(2). The Wastewater use metered charge shall be as follows:

a. <u>Single Family Residence</u>	
Rate per 1,000 gallons	\$3.20
b. <u>Commercial</u>	
Rate per 1,000 gallons	\$3.20
c. <u>Multi-Family</u>	
Rate per 1,000 gallons	\$3.20

6. Reduction in Water and Wastewater User Base Charges- §13.04.130(C).

Wastewater Charges: Wastewater user base charge for persons qualifying under Hailey Municipal Code Section 13.04.130(C) shall be \$12.54 per month. The portion of that fee collected for bond retirement purposes shall be \$7.37 per month. The portion of that fee for system maintenance and operation shall be \$5.17 per month.

7. Private Water and Wastewater System Inspection Fee – § 13.04.160.

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

8. Miscellaneous Fees – §§ 13.04.150(D) and (F).

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

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

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

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

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

9. Administrative Waiver of Fees.

Customers, who in the last one (1) year, have not been sent late payment delinquent account notices, or have been charged insufficient fund fees, may request and administrative staff may approve a reversal of a one time insufficient funds fee.

Section 2. Effective Date. The fees adopted by this Resolution shall be effective on October, 25, 2013.

Passed this 18th day of November, 2013.

Fritz X. Haemmerle, Mayor, City of Hailey

ATTEST:

Mary Cone, City Clerk