

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD AUGUST 22, 2011
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at 5:00 P.M. by Mayor Rick Davis. Present were Council members Carol Brown, Don Keirn, Fritz Haemmerle, and Martha Burke. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson, and City Clerk Mary Cone.

EXECUTIVE SESSION:

Haemmerle makes a motion to go into Executive Session at 5:01 pm to discuss Pending & Imminently Likely Litigation (IC 67-2345(1)(f)), seconded by Keirn, motion passed with roll call vote. Burke, yes. Haemmerle, yes. Keirn, yes. Brown, yes.

5:22:26 PM Mayor and council returned to the council chambers at 5:24 P.M to resume the meeting

No open session comments or airport issues.

CONSENT AGENDA:

CA 413	Motion to approve final report and reimbursement request for the E.W. Fox Garden grant project.....	1
CA 414	Motion to approve bid selection for Fox Building HVAC system improvements, authorizing city staff to prepare an agreement with the selected bidder Western States Geothermal for the work to be completed under the EECBG grant which will fund \$50,000 of an estimated \$94,000 project.....	7
CA 415	Motion to approve change order #1 to Dreamland Skateparks LLC.....	15
CA 416	Motion to approve annual renewal of completed and approved Alcohol Licenses.....	19
CA 417	Motion to approve upon receipt of final paperwork and HPD approval of Pending Alcohol Licenses.....	21
CA 418	Motion to approve minutes of August 8, 2011 and to suspend reading of them.....	23
CA 419	Motion to approve and authorize Mayor Davis to sign a letter of support for the Wood River Land Trust.....	29
CA 420	Motion to approve claims for expenses incurred during the month of July, 2011, and claims for expenses due by contract in August, 2011.....	33

Haemmerle pulls Consent Agenda item 414.

5:23:22 PM **Burke moved to approve all consent agenda items minus CA 414, seconded by Haemmerle, motion passed unanimously.**

5:23:44 PM Haemmerle asked if the \$44,000 funds are available to match the grant. Dawson answered Haemmerle, affirmatively. They are separate funds than the grant funds, Dawson confirmed.

5:25:24 PM Keirn asked about the scoring process, is the difference significant. Hellen answered no, really not a significant difference.

[5:26:21 PM](#) Haemmerle remarked about the scoring process, he feels that it should be altered to be fairer to each applicant. Staff replied that the grant process requires the ranking method used. If a grant mandates a certain point system, then okay states Haemmerle.

[5:28:49 PM](#) Haemmerle moves to approve CA 414, Burke seconds, motion passed unanimously.

MAYOR’S REMARKS:

[5:29:08 PM](#) This has been the most difficult budget process he has experienced in the last 22 years he has been involved with the City.

PUBLIC HEARINGS:

- PH 421 *Public Hearing on FY 2011/2012 budget of \$13,768,897 with council discussion and setting in place final appropriations, including: 65*
- *Finalization of line-item detail within the proposed general fund operating budget and its LOT components*
 - *Discussion of Woodside Boulevard Project Bids and their relation to the Capital Budget*
 - *Further public comment on proposed water and sewer rates and those reduced budgets*

[5:29:42 PM](#) Dawson concurs with the Mayor’s comment about the budget process being difficult. We have projected declining revenue and we are trying to meet all outside obligations as well as internal. During the public hearing process, we hope to have clear direction on how to do the final budget for review on August 29th. This process continues to unfold, Dawson anticipates further direction tonight. We are not filling 5 unfilled positions vacated during the last fiscal year and we have impacted another 5 positions by cutting wages, hours or both.

[5:34:26 PM](#) Dawson added that our surprise came last week regarding our health insurance premium projected increase of 26%. With this news, an additional \$118,000 needs to be cut from the budget. Dawson does not feel that we will be able to cut our health insurance by this amount needed to balance our budget.

[5:37:02 PM](#) Brown asks if we will see a maximum amount in each department. And we won’t worry about the line items as long as the maximum is not exceeded for the group, Dawson confirmed yes.

[5:37:35 PM](#) We have increased the street budget by \$70,000, replacing a police car and fire truck. Development Impact Fees can be used for the fire truck. Police car will be paid for out of the LOT budget. We have added \$12,000 worth of fire truck maintenance. Have added \$312,000 for expenses incurred for Bellevue law enforcement. One exception to the 25% cut is the Animal Shelter – it will be fully funded at \$16,000. We have had conversations with the Hailey Chamber of Commerce about ways to strategize to maximize efficiencies in their funding; but we have not come up with an answer. Staff has also spoken with Mountain Rides regarding funding. An increased partnership is developing from conversations with Mountain Rides to offer city staff resources to offset recently departed staff at Mountain Rides.

[5:42:41 PM](#) Capital Projects and grant funds report, Dawson explained this report. The budget as published contemplates 3 large projects. Dawson referred council to page 70 of packet, top portion of page above the double line. All 3 projects span 3 budget years to 2013. One project is funded with proceeds of the bond – Interpretive/Visitor Center, for construction of the building; we do not expect that it will fund the fabrication of the historical exhibits in the Center. Second, is the River Street project, working on grant agreement, \$1.2 million grant agreement if we are able to get this agreement signed in the next 2-3 weeks. Third, Woodside Blvd. we have a \$3.5 million grant; the actual costs from bids received will increase that project from \$4.4 mil. to \$6.7 million (\$2.3 million dollar increase). We have asked the TIGER II grant for additional funding to bridge the gap. Dawson handed out a spreadsheet to council. On the back, it shows budget without Old Cutters funds, a different budget projection than the council packet. Our plan for Woodside project is to secure more funding. We have 45 days to act on bids received. We can revise the scope of work for low bidder to see reduced costs in the overall project. Third, approach is to rebid the project. Over the past 3-4 years we have spent less than budgeted.

Dawson recommends that mayor and council take public comment then discuss.

Brown asks about the 5 positions that are reduced hours or wages. Dawson explains that wages are reduced per changing job description.

[5:57:41 PM](#) Gunter will attend the first board meeting of the III-A next week. Gunter commented that we will not see as high of an increase following the first year.

Public comments:

[5:58:31 PM](#) George Kirk 217 Teal, Starweather, Chairmen of Sustain Blaine, spoke to council. Kirk thanked council for past years support. Kirk gave a history of Sustain Blaine organization, stating that some large projects that they have begun have benefitted City of Hailey. Kirk explains how their funding has been leveraged. Kirk understands Hailey's position but feels that giving to Sustain Blaine is a good investment. Kirk asks council to reconsider funding Sustain Blaine.

[6:03:52 PM](#) Heather Lamonica Deckard, Executive Director of the Hailey Chamber of Commerce of 120 South 3rd Ave, urged the council to increase the funding to the Chamber. Deckard has concerns about future impact of the decreased funding. Deckard does not envy the council's position but feels the Chamber is worthy of full funding.

[6:07:08 PM](#) Bob Wiederrick, of 1120 Quigley Road comments on the expense on the fire truck purchase. Wiederrick feels that the fire truck would be an illegal use of Development Impact Fees. Wiederrick has a newspaper article to give to the council tonight on what the City of Nampa is doing to revitalize their downtown core.

[6:09:43 PM](#) Peter Lobb 403 E. Carbonate – referencing a New York Times article he read recently, now the goal of Government. is taking services away – not adding services Lobb suggests to council to make these decisions and move on, don't feel badly about having to make these decisions. The memo from Dawson, were we over budgeted last year? We aren't really

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eliminating people because they are vacant positions. About the insurance rates going up 26%, plan for this now. Last comment, Mountain Rides – according to the memo there are less infrastructure costs – Lobb disagrees with this stmt. Old Cutters, who knows if we are going to get the money – but plan for not getting the money. Most of the budgets have been slashed, Lobb doesn't understand what the Bellevue contract is benefitting Hailey. There is a bond payment for the water storage tank, Quigley, is this a bond payment to the City and what is the status of the tank? Does the tank function as originally designed? Lobb is happy about the full funding of the Animal Shelter.

[6:14:37 PM](#) Evan Lawler of 1921 Northridge Drive spoke with council. Lawler comments on the declining revenue, also a Sustain Blaine board member. Lawler feels that Sustain Blaine benefits Hailey directly with their projects. Lawler asks the council to fund Sustain Blaine somehow as you will see a return on your investment.

[6:17:25 PM](#) Jason Miller 800 1st Ave North, Executive Director of Mountain Rides, gave council a handout detailing a proposed partnership with the City of Hailey. Miller named other projects involved with Hailey, including Safe Routes to Schools.

[6:20:17 PM](#) 311 E Bullion Michael Wickes – sounded like a shell game regarding the visitor center. Wickes wondered about the LOT funds and how they are used. There is no economic development plan anywhere. Hailey has no way to attract new businesses. We must compete. Wickes suggests that staff should be shifted – eliminate one city planner because there is no planning being done. We have to get into this game now. Hailey should market itself separately from the rest of the valley. Finally, shift staff to give you a vision for the future 6-8 years out.

[6:24:57 PM](#) Harry Griffith of 104 Sage Willow, Executive Director of Sustain Blaine asks council to give funding to Sustain Blaine. Griffith gave examples of why giving to Sustain Blaine would be a value to the City.

[6:27:01 PM](#) Krista Gehrke of 370 Little Indio, Gehrke feels that the police car should be eliminated so that the city can give this money to the Chamber and Mountain Rides. Gehrke asks council to reconsider Chamber and Sustain Blaine funding. Gehrke feels Old Cutters funds should not be included in the budget.

[6:29:31 PM](#) Ramona Duke of 1021 Foxmoor a business owner spoke to council. Duke does not feel Sustain Blaine is producing results but the Chamber is.

[6:30:21 PM](#) Bill Olsen of 514 1st Ave, a new Chamber member spoke to council. Olsen encouraged council to give more funding to Chamber and Mountain Rides. Olsen agrees with Wickes, we should focus on growing the economy.

[6:32:02 PM](#) Linda Haavik of 608 South 3rd Ave stated that she send an email to council members in support of funding for Sustain Blaine as she has been involved with them for years.

[6:32:48 PM](#) Geoff Moore 1250 Woodside Blvd spoke with council. Moore appreciates the effort trying to keep the Woodside Blvd. project going. Moore cannot believe these comments are encouraging eliminating staff for handing money to outside entities. Don't eliminate jobs.

[6:34:25 PM](#) Tony Evans with Idaho Mountain Express asked about the purchase of a new fire truck. Evans said this goes against the suggestion of the ESCI consultant study.

Public comments closed.

[6:35:39 PM](#) Brown received an email from Vanessa Crossgrove Fry in support of the city funding Sustain Blaine and Mountain Rides. Brown referred to pages 68 & 76 for her question regarding the LOT. Confirm the historic registry grant match is something we are committed to. Dawson answered, funds not committed yet. Art Commission program, are these committed funds. Dawson, confirmed these are committed.

\$20,000 on page 70 for the council room mural, 1st expense line in second column, \$2,000 of the funds are donors. The other \$18,000 can be used somewhere else. Brown asked about page 73, \$1,800 training, travel & council expenses, she is willing to give this up. Brown would like to discuss the \$4,500 in the historical sign/grant match.

[6:42:11 PM](#) Dawson will address some of the questions presented from public comments. We have identified that we can save \$85,000. There is another \$35,000 savings, done in the 5 staffing position reductions. If the full \$118,000 is not saved, we have it somewhere, asked Haemmerle. Yes, answered Dawson. \$458,565 is from bond funds and must be spent on the interpretive center. The purchase of the fire truck is an appropriate legitimate expense for use of Development Impact Fees, a response from Wiederrick's statement. We can remove the Old Cutters payment – but we are not planning on spending this until it comes in. The police budget will bring in \$312,000 in costs the \$25,000 in administrative expenses won't be realized if raises are not given to staff administering the Bellevue contract. The storage tank, it is a 20 year repayment, we have 18 years left. In the budget, which Dawson handed out, all projects are identified that Gehrke mentioned. LOT has not been used in past years to purchase fire trucks; we have used it to buy Police Cars. Development Impact Fees are what have been targeted to purchase the fire truck. Eliminating one of the city planners is one of the cost savings we are seeing in this proposed budget – if this position were reduced to zero we would save \$25,000. Another is the Assistant City Engineer position. If this position were reduced to zero we would save \$12,000

[6:49:57 PM](#) Brown comes up with \$24,300 cost savings in the items she has mentioned. Haemmerle and Brown discuss options of reallocating funds.

[6:53:12 PM](#) Haemmerle was initially prepared to reduce one of the police cars. Brown suggests the delayed purchase of the 2nd police vehicle.

[7:02:46 PM](#) Ramona Duke 1021 Foxmoor commented on the question from Brown, Library Budget was cut.

[7:04:43 PM](#) Dawson recapped the council's discussion. The next budget will show balanced medical benefits issue. \$10,000 to Mountain Rides and Chamber, \$3,500 to the Library, \$3,000 to Sustain Blaine. Discussion ensued about the fire truck line item.

OLD BUSINESS:

*OB 422 2nd Reading of Ordinance 1089 – Removing Sunset Clause from Urban Agriculture Ordinance –
Read by Title Only*

[7:10:59 PM](#) Mayor Davis conducted the 2nd Reading

STAFF REPORTS:

Letter from Wood River Fire & Rescue [7:11:59 PM](#) Mayor Davis will respond to the letter with a phone call.

With no further business Mayor Davis concluded the meeting at 7:12 P.M.

Rick Davis, Mayor

Mary Cone, City Clerk