

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, OCTOBER 24, 2011
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at [5:32:55 PM](#) P.M. by Mayor Rick Davis.

Present were Council members Carol Brown, Don Keirn, Martha Burke (Fritz Haemmerle arrived late with prior notice at [5:48:39 PM](#))

Staff Present: Tom Hellen, Kelly Schwartz, Ned Williamson, Becky Stokes, Heather Dawson, and Beth Robrahn.

OPEN SESSION for items not on the agenda:

[5:33:29 PM](#) None offered.

[5:33:37 PM](#) Tony Evans, Idaho Mountain Express, asked for the status or the Council's understanding of Quigley Canyon water rights, whether they are measured regularly, and what the actual monetary value may be. Mayor Davis noted that an appraisal of the water rights is expected soon. Ned Williamson confirmed that the appraisal is coming and offered Mr. Evans access to other documents related to Quigley water. [5:35:05 PM](#)

AIRPORT ISSUES:

[5:35:19 PM](#) Mayor Davis moved this item until after tonight's presentation by Rick Baird.

CONSENT AGENDA:

- CA 492 *Motion to ratify final Task Order #3 with HDR Engineering, approved on October 10, 2011 through Resolution 2011-37, as amended by staff, and ratification of Public Comment Letter on the Big Wood Watershed Management Plan (aka TMDL) Errata submitted to Idaho DEQ on October 21, 2011.*
- CA 493 *Motion to approve Resolution 2011-38, authorizing Contract for Services with Bauer and French regarding Old Cutters bankruptcy representation.*
- CA 494 *Motion to approve Resolution 2011-39, authorizing Contract for Services for the Hailey Chamber of Commerce for FY 2012.*
- CA 495 ~~*Motion to approve Resolution 2011-40, authorizing proposed scope of work from Rich Caplan to perform a Quigley Canyon Cost Benefit Study, with components including updating Hailey's Capital Improvement Plan and Community Survey.*~~
- CA 496 *Motion to approve special event Hailey Halloween Hoopla at businesses in the downtown core on Oct. 31, 3-7 pm.*
- CA 497 *Motion to approve Summary of Ordinance No. 1091 – water wastewater fees.*
- CA 498 *Motion to approve minutes of October 10, 2011 and to suspend reading of them.*
- CA 499 *Motion to approve claims for expenses incurred during the month of September and October, 2011, and claims for expenses due by contract in October, 2011.*

Heather Dawson asked to pull CA 495.

5:35:55 PM Don Keirn moved to approve the Consent Agenda minus CA 495. Martha Burke seconded. Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes.

5:36:22 PM Ms. Dawson explained that Dave Hennessy of Quigley Canyon did not believe the timeline in the contract was agreeable, so an amended page 2 was given to the Council at this meeting. Mr. Hennessy noted that he believed the revised timeline is a better one. Ms. Dawson further explained the capital improvement plan procedure, budget, and baselines for calculations. Carol Brown asked if Rich Caplin agreed with the revisions. Heather Dawson affirmed that he did, and that Quigley is paying for updated schedule.

5:40:01 PM Carol Brown moved to approve CA 495 with the updated scheduled. Don Keirn seconded. Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes.

MAYOR'S REMARKS:

Mayor Davis encouraged careful driving and safety on Halloween.

PROCLAMATIONS AND PRESENTATIONS:

PP 500 Airport Presentation and discussion of letter sent to the FMAA Board regarding the airport.

5:40:51 PM Rick Baird, 1610 Airport Way, Friedman Airport Manager, reported on meetings held so far including a recent meeting with the Federal Aviation Administration in Washington. Mr. Baird gave a quick history of how we arrived at this FAA meeting, and provided a Power Point presentation to clarify and to provide purposes and goals as the process moves forward. He further explained that the airport is seeking input from the FAA, not formal support. He pointed out his belief that seeking improvements at the existing airport location will likely not achieve all standards required by the FAA. **5:46:01 PM** Carol Brown asked if plans being proposed are still inside the existing airport fence. Mr. Baird explained that discussions included movement of the existing runway straight to the south, and outside the existing fence line.

5:48:51 PM Mr. Baird further noted that FAA design standards are important to them, generally not flexible, and that approving reliability is the main goal. He explained that the FAA's suggestion is that our first action as a community should be to analyze whether we can get improvements to reliability in the existing runway threshold. If so, the FAA may support a new planning study. **5:50:16 PM** Mr. Baird explained that a Safety Management System Review is now required, and noted this is a new requirement of the FAA.

5:51:44 PM Mayor Davis asked which of the action items have already been accomplished. Mr. Baird explained which of those have been done, but pointed out they may have been completed in relation to particular topics such as reliability, such as analyzing weather data in the context of visibility. He noted that FMA is still gathering information to provide to the FAA, further noting that if a way can be found to improve reliability and regional jet use at the existing airport, we can continue to move forward with the FAA. **5:57:38 PM** Fritz Haemmerle reported that Donna Taylor of the FAA told him specifically that no options, including other airport sites, were off the negotiating table. He asked Mr. Baird to define the actual options with respect to Site 12. Mr. Baird replied that replacement airport sites were not discussed. Mr. Haemmerle noted the

confusion surrounding the FAA's position and directives and that resulted in the City's October 20, 2011 letter to the FAA. [6:03:41 PM](#) Mr. Haemmerle emphasized that the City wants all options explored. [6:07:54 PM](#) Carol Brown asked if continuing information can be posted on a website for the public's access. She further inquired if the City or the FMAA were in direct communication with FAA representatives who make actual decisions and provide solid information across all FAA divisions. [6:09:29 PM](#) Discussion continued on Donna Taylor's letter of August 22, 2011 noting the expenses were too high to consider the existing site, and suspension rather than termination of the Environmental Impact Study. [6:13:53 PM](#) Mr. Baird reminded that if we find reliability cannot be improved at the existing site, the eventually commercial air service would be lost. He further reminded that in 2006 we thought a replacement airport was achievable, but it seems impossible now due to cost. [6:20:09 PM](#) Council members expressed frustration with perceived mixed messages from the FAA. Martha Burke noted Donna Taylor's input that we can "do it on our own without the FAA if we could come up with the money." [6:24:49 PM](#) Carol Brown asked how to direct the FMAA board for their next meeting, and expressed her strong feeling that all options are not on the table at this time.

[6:25:50 PM](#) Mr. Baird noted that the participants in the meeting with the FAA did not have the City's letter of October 20, 2011 before that meeting. [6:26:40 PM](#) Carol Brown asked if Susan McBryant could be allowed to speak. Ms. McBryant explained that costs changed the FAA's goals somewhat and reminded that this presents a new set of rules. [6:35:16 PM](#) Carol Brown asked for clarification on the Safety Management Review process. Mr. Baird explained chain reactions or unintended consequences that may result from gathering the information that goes to Safety Management Review. [6:37:58 PM](#) Fritz Haemmerle and Mr. Baird discussed ways in which we might keep all options on the table. [6:41:46 PM](#) Carol Brown asked how the FAA's reliability standards are measured. Mr. Baird explained that the measurement is the percent of time the airport is unavailable to aircraft. [6:42:32 PM](#) Mayor Davis thanked Mr. Baird for "taking the heat" on this issue. [6:42:51 PM](#) Fritz Haemmerle recommended maintaining the City's position as outlined in the October 20 letter. Mayor Davis agreed. Martha Burke inquired on how to proceed if FMAA alternative sites are not feasible and engineering costs are not practical. Council discussion included costs at the Sluder site, County Commissioner Tom Bowman's projected math was realistic over time. Fritz Haemmerle felt strongly that Mr. Bowman's calculations should be presented clearly to the public. Mr. Haemmerle continued by asking if staying inside the existing footprint is still the priority. [6:50:52 PM](#) Mr. Baird emphasized that the FAA would only make suggestions, and that "they do not have the right to tell this community what to do." Don Keirn pointed out that the FAA "has the checkbook." Consensus was reached that the priority should be to evaluate reliability of the existing footprint. [6:51:57 PM](#)

PP 501 Update on Hailey Community Climate Challenge progress (no documents)

[6:52:17 PM](#) Mayor Davis noted this item was pulled from the agenda and that Council will hear this update at a later time.

PP 502 Presentation from Mountain Rides Transportation Authority regarding last quarter's activity and service changes made following adoption of 2012 budget (no documents)

[6:52:29 PM](#) Jason Miller, Director of Mountain Rides, explained changes in the service plan as a result of their reduced budget. Changes include a 50-cent fare for the inter-Hailey route

(previously free). He further noted ridership gains, new bus stop shelters in the future, the bike share project is moving forward, and that Mountain Rides remains supportive of the City's work on Woodside Boulevard. Mr. Miller also thanked Carol Brown for her participation in the recent transportation panel with other attendees from all over the state. [6:55:10 PM](#) Fritz Haemmerle asked Mr. Miller how the 50-cent fare may affect ridership. Mr. Miller anticipated perhaps "a 30% leakage." The new schedule and fare increases may begin November 7. [6:56:42 PM](#)

PUBLIC HEARINGS:

PH 503 Discussion of Woodside Boulevard Project status, with potential timeline, bidding options, further engineering costs, financial feasibility and Project feasibility.

[6:56:56 PM](#) Heather Dawson noted that the purpose of this discussion was to fully inform the Council and the public, not necessarily to reach any decisions. She provided background information and history, details of funding and the timeline as related to funding, and the arguments for and against downscoping the project. [7:06:28 PM](#)

[7:11:06 PM](#) Council discussion included asking for clarification of costs, whether any shortfall would come of the capital funds, whether the River Street project remains a factor, and clarification of timeline options.

[7:15:38 PM](#) Tom Hellen explained the possible downscoping and the factors considered in that, reviewing documentation in front of the Council for projected savings. [7:28:45 PM](#) Carol Brown asked if construction cost higher now even with the challenging economy. Tom Hellen stated he was not seeing much consistent change. Kelly Schwartz, Street Superintendent, explained costs of chipsealing Woodside Boulevard, and the various considerations in maintaining that street over time. [7:36:56 PM](#) Tom Hellen detailed the costs of fixing the road completely, a process including removal of the old road, creating a new base, and topping with new asphalt. [7:38:34 PM](#) Fritz Haemmerle requested a "hard number on that" to fully understand Mr. Hellen's cautions about simply replacing the road without putting in a drainage system. (Currently, there is not a system there.) [7:40:07 PM](#) Heather Dawson further projected the costs and needs of street maintenance in near future.

[7:40:42 PM](#) Mayor Davis opened the meeting to public comment.

[7:40:51 PM](#) Geoff Moore, 1250 Woodside Blvd., opined that with so much money and time already invested, the City "must make this go." He further asked for clarification on the October 12 deadline and traffic light costs, noting that safety should be paramount. He felt the River Street project is a better option for a piece-by-piece approach. He also noted that weeds will overtake the right-of-way without landscaping.

[7:45:00 PM](#) Bob Wiederrick, 1120 Quigley, stated that the traffic light at the highway should go in even if nothing else goes forward. He does not see a current pressing problem at the Fox Acres/Woodside Boulevard intersection.

[7:46:21 PM](#) Pat Cooley, 3040 Woodside, agreed with Mr. Wiederrick, but requested a full understanding of what options are allowed within the grant guidelines, and holding a full public meeting with residents to discuss the matter.

[7:47:10 PM](#) Peter Lobb, 4th and Carbonate, asked what the City will do if the grant will not allow changes. He asked for an analysis of alternatives should the grant not allow a change in the project scope.

[7:47:53 PM](#) Jason Miller, Mountain Rides, noted that maintaining bus stops and shelters is very important and he would be pleased to discuss this with the City.

[7:48:37 PM](#) Geoff Moore, 1250 Woodside, added his feeling that the City did not get the costs down before the grant application. He requested that the City “please accept responsibility and say the City messed up. Don’t blame residents.”

[7:49:42 PM](#) Heather Dawson noted that Dan Gilmore wrote in to express support. Heather further assured Geoff Moore that the City is indeed taking full responsibility for the situation and places no responsibility for possible downscoping on residents.

[7:50:25 PM](#) Gloria Wiend, 630 Fox Acres, asked the City to retain the planned roundabout, citing that turn lanes in that location would make it impossible for her to get out of her driveway.

[7:51:07 PM](#) With no further comments offered, Mayor Davis returned the meeting to the Council, explaining to the Council that reports regarding options will come to them soon.

[7:51:56 PM](#) Fritz Haemmerle asked for further clarification of cost and funding figures.

[7:52:29 PM](#) Tom Hellen offered further details from his spread sheet.

[7:53:40 PM](#) Fritz Haemmerle expressed concern about a “monumental error in estimating costs.”

[7:54:04 PM](#) Heather Dawson pointed out that several cost bond/levy approaches could be investigated. [7:56:43 PM](#)

PH 505 Extension of Preliminary Plat Approval – Lot 2A and Lot 2B, Cedar Street Church Subdivision.

[7:57:55 PM](#) Beth Robrahn requested that this item be heard PH 504. She provided background and explained the applicant’s reason for requesting a time extension. Applicant Russ Horn noted the flat economy and said that his building in this market is not feasible.

[7:59:42 PM](#) Mayor Davis opened the meeting to public comment. With none offered, he then brought the meeting back to the Council. Carol Brown and Don Keirn expressed their empathy for the applicant’s position. Ms. Robrahn noted that extensions used to be for one year, but more recently two became the norm because of the flagging economy. Ms. Brown hoped to remain consistent, and so preferred a one year extension. Mr. Keirn agreed.

[8:01:41 PM](#) **Carol Brown moved to grant an extension for one year. Don Keirn seconded.**

Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes.

PH 504 An application by Airport West Owners Association to amend Hailey Zoning Ordinance, Section 4.12.3.3; adding sub-section g, to allow for one accessory dwelling unit (ADU) per unit of a non-residential Principal Building within the SCI-Industrial Sub District. On September 19, 2011 the Planning and Zoning Commission recommended approval.

[8:02:02 PM](#) Beth Robrahn provided an overview and the reasoning of the Planning & Zoning Commission. [8:08:31 PM](#) Matt Engel, 101 Bullion St. East, explained the application was backed by 100% approval of association members, and noted the efforts made to develop this proposal in a way that benefits the City as well as the property owners.

[8:10:39 PM](#) Mayor Davis opened the meeting to public comment. None was offered.

[8:10:52 PM](#) Carol Brown expressed her approval of language allowing occupancy only by owners or employers of businesses located there, adding that she would not like to add additional rental units to compete in this difficult market.

[8:11:35 PM](#) Don Keirn expressed concern about the possible presence of small children there since the area is subject to delivery truck traffic.

[8:12:09 PM](#) Mayor Davis voiced his support of live/work environments.

[8:12:20 PM](#) Fritz Haemmerle moved to approve the application. Martha Burke seconded. Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes.[8:13:20 PM](#) Fritz Haemmerle moved to proceed with the first reading by title only. Martha Burke seconded. Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes. Mayor Davis conducted the reading.

PH 506 Proposed Title 5 amendments effecting day care permitting requirements.

[8:14:02 PM](#) Beth Robrahn offered an overview to the Council. Fritz Haemmerle asked if the amendments were intended basically to align the City's requirements with state law. Ms. Robrahn assured that was the intention. Council members had no further questions.

[8:15:10 PM](#) Mayor Davis opened the meeting to public comment. None was offered.

[8:15:21 PM](#) Carol Brown moved to approve PH 506, and to conduct the first reading by title only. Don Keirn seconded. Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes. Mayor Davis conducted the reading.

NB 508 Discussion of Fund Balance Policies for management of General Operating and Capital Fund balances.

[8:31:40 PM](#) Martha Burke requested to be excused for illness. Mayor Davis granted her request.

[8:32:06 PM](#) Heather Davis gave background and provided explanation, noting that the estimates are just that—estimates. Ms. Davis thanked everyone for their extensive work in creating the fund balance data, noting that the goal is to keep expenses well below revenue. She further noted upcoming needs for the City, including ongoing street maintenance, and keeping cash in the capital fund for projects. [8:39:19 PM](#) Fritz Haemmerle requested legal analysis of the creation of capital funds. Council discussion included how funds are deposited into capital funds, how to determine if money allocated for a specific purpose may be spent on other purposes, and when salaries might be paid with capital funds. [8:44:58 PM](#) Mr. Haemmerle noted that it seemed very late in the evening to be considering this depth of question. He requested a legal review and discussion following that review. [8:47:07 PM](#) Mayor Davis asked for the matter to be continued.

OLD BUSINESS:

OB 509 3rd Reading of Ordinance No. 1091, Municipal Code Title 13, Water and Wastewater, to authorize housekeeping amendments to streamline administrative processes/authorities associated with the collection of administrative fees.

[8:47:20 PM](#) Mayor Davis asked Tom Hellen if Blake Eagle's concerns (expressed in a previous meeting and letter) were addressed by this ordinance. Mr. Hellen noted that another ordinance would better address Mr. Eagle's issue and will be forth coming to avoid a delay with the process of this ordinance.

[8:48:10 PM](#) Fritz Haemmerle moved to conduct the third reading of Ordinance 1091 and authorize the mayor to sign. Carol Brown seconded. Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes. Mayor Davis conducted the reading.

OB 510 Waiver of 2nd Reading and approval of 3rd Reading by title only of Ordinance 1092 and authorize mayor to sign, Election revisions.

8:49:13 PM Carol Brown moved to waive the second reading to allow the third reading to occur before the next election and to allow conformance with state law and authorize the Mayor to sign. Don Keirn seconded. Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes. (Note: Martha Burke has been excused for illness before this vote). Don Keirn moved to conduct the third reading. Carol Brown seconded. Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes.

Mayor Davis conducted the 3rd reading of Ordinance No. 1092.

NEW BUSINESS:

NB 507 *Consideration of Change Order # 2 submitted by JUB Engineers for 182,578 in engineering costs associated with engineering of Woodside Boulevard (continued from Special September 7, 2011 City Council Meeting).*

8:16:26 PM Heather Dawson explained the background, reviewed the change order, and distributed to Council members a spread sheet to further explain. JUB will revise the details for clarification although Ms. Dawson felt it was not likely to change the end result. **8:20:50 PM** Fritz Haemmerle asked when the change order was submitted, whether before or after the work was done. Ned Williamson noted the various changes made to the original design, that these required a highly expedited timeframe to accomplish the planning, and the majority of this change order related to that process. He further suggested ways to diligently analyze the change order even though it may not change the outcome.

8:25:18 PM Lori Labrum, JUB Engineers, noted that JUB may have done some things differently to alert the City that they were working beyond the original scope of work. However, the consensus was that time was of the essence, public involvement was intense, and therefore, time consuming. She noted that JUB did incur a large fee for that, but in the end, she believed that JUB satisfied the majority of residents.

8:27:56 PM Rick Davis expressed hope that JUB would understand the City must practice due diligence.

8:28:20 PM Fritz Haemmerle asked for clarification on the approval of the \$115,339.00 amount. Ned Williamson explained. Mr. Haemmerle asked if the City was ever advised as these costs were occurring that they would constitute change orders. Tom Hellen thought perhaps the Council may not have been clear on the additional charges, but noted that the rush was for public acceptance. All agreed that the work was done in good faith.

8:30:58 PM Don Keirn moved to approve the change order for the \$115,339.00 amount. Martha Burke seconded. Roll call vote: Brown, yes; Keirn yes; Haemmerle, yes; Burke, yes. Mayor Davis requested JUB time cards to provide documentation.

WORKSHOP:

Staff Reports Council Reports Mayor's Reports

STAFF REPORTS:

8:50:43 PM

SR 511 *Update on Main St. LED streetlight retrofit project.*

SR 512 *Director's Report for Hailey Public Library for September 2011.*

Tom Hellen noted his attendance at the Green Building conference last week. He was joined by Dave Ferguson, and Mariel Platt.

HAILEY CITY COUNCIL MINUTES

October 24, 2011

[8:51:44 PM](#) Heather Dawson reported the progress on a joint powers agreement for insurance, and that work is progressing on a full Labor Day weekend event in the new rodeo grounds.

[8:52:58 PM](#) Carol Brown noted that she had planned on attending a November 1 meeting with Wendy Jaquet, but was unable to attend due to her job. Mayor Davis offered to attend in her place.

[8:53:15 PM](#) Don Keirn reported the URA visits to Twin Falls and Jerome, and expressed his enthusiasm for what they learned there.

EXECUTIVE SESSION:

[8:54:03 PM](#) Fritz Haemmerle moved to go into Executive Session to discuss Pending & Imminently Likely Litigation (IC 67-2345(1)(f)). Carol Brown seconded. Roll call vote: Brown, yes; Keirn, yes; Haemmerle, yes.

Mayor Davis and council came out of Executive Session and concluded the meeting at 9:10 P.M.

Rick Davis, Mayor

Mary Cone, City Clerk