

**MINUTES OF THE
HAILEY CITY COUNCIL MEETING
Monday April 30, 2012 * Hailey City Hall Meeting Room**

Present: Carol Brown, Don Keirn, Fritz Haemmerle, Pat Cooley, Martha Burke
Staff: Jeff Gunter, Tom Hellen, Heather Dawson, Ned Williamson, Bart Bingham

5:30 p.m. CALL TO ORDER

5:30:25 PM Mayor Haemmerle called the meeting to order.

Open Session for Public Concerns

5:30:38 PM None offered.

CONSENT AGENDA:

- CA 169 *Motion to authorize Mayor to sign Certificate of Deposit signature card with Mountain West Bank, 5 year CD at 1.35% interest rate – amount of CD investment is \$169,000.*
- CA 170 *Motion to approve Resolution 2012-27, authorizing additional contractual services with architect Ruscitto, Latham, Blanton for \$2500 in mechanical and electrical design work on amended Interpretive Center building design and construction drawings.*
- ~~CA 171 *Motion to approve Resolution 2012-28 authorizing Memorandum of Understanding with Blaine County for shared street maintenance activity for 2012.*~~
- ~~CA 172 *Motion to approve Resolution 2012-29 authorizing Use Agreement with Knife River for construction staging from city owned Parcel 01 & 02, Blk. 62, Woodside Plat 15 (situated between 2528 and 2630 Woodside Blvd).*~~
- CA 173 *Motion to approve Arbor Fest Special Event.*
- CA 174 *Motion to approve Special Event - Hailey's Main Street Antique Show - 730 Main – 4th of July.*
- CA 175 *Motion to approve Special Event – Hailey's Main Street Antique Show - 730 Main - Labor Day.*
- CA 176 *Motion to approve Special Event – Hailey's Antique Market –Weekend - Roberta McKercher - 4th of July.*
- CA 177 *Motion to approve Special Event – Hailey's Antique Market – Roberta McKercher - Labor Day.*
- CA 178 *Motion to approve Special Event – Girl's on the Run May 19, 2012.*
- CA 179 *Motion to approve Summary of Ordinance 1104 amending Chapter 14.01 of the Hailey Municipal Code entitled Annexation Procedures.*
- ~~CA 180 *Motion to approve minutes of April 16 2012 and to suspend reading of them.*~~
- CA 181 *Motion to approve minutes of April 20 2012 and to suspend reading of them.*
- CA 182 *Motion to approve claims for expenses incurred during the month of April, 2012, and claims for expenses due by contract in May, 2012.*
- CA 183 *Motion to approve Treasurer's Quarterly Report for period ending March 31, 2012.*

5:30:58 PM Ned Williamson pulled CA 171 and CA 172. Carol Brown pulled CA 180. Don Keirn moved to approve the Consent Agenda minus 171, 172 and 180. Martha Burke seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, yes; Burke, yes.

5:31:45 PM Ned Williamson explained his suggestions for language changes regarding mutual indemnification in the Memorandum of Understanding. He wanted both parties held to the same

standards. **Carol Brown moved to approve CA 171 with language changes to Mr. Williamson's satisfaction. Don Keirn seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, yes; Burke, yes.** Ned Williamson then addressed CA 172 and asked that approval be contingent upon a CUP for that lot. **Carol Brown moved to approve CA 172 contingent upon the CUP. Don Keirn seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, yes; Burke, yes.**

Carol Brown asked for a minor correction of the April 16, 2012 minutes as presented in CA 180. In the listing of Council members present for this meeting, Mayor Haemmerle's initials were included rather than his full name. **Ms. Brown moved to approve CA 180 with that correction. Don Keirn seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, yes; Burke, yes.**

MAYOR'S REMARKS:

MR 184 Retirement recognition of Paul Brown

[5:35:11 PM](#) Dave Stellers, Assistant Chief of Police, noted that Mr. Brown has served the City as a Police Officer since 1976 and commended his work noting he has been an excellent ambassador at the airport. Mayor Haemmerle joined Mr. Stellers in expressing appreciation to Mr. Brown noting the City will miss him. Mr. Brown said it has been an honor and a privilege to serve the City.

PROCLAMATIONS & PRESENTATIONS:

PP 000 [5:38:37 PM](#) None.

APPOINTMENTS & AWARDS

AA 185 Appointment of Rick Davis to Hailey Development Impact Fee Advisory Committee (replaces Pat Cooley)

[5:38:44 PM](#) Mayor Haemmerle recommended the appointment and asked Mr. Davis if he would so accept. Mr. Davis indicated he would be pleased. **Carol Brown moved to appoint Rick Davis to the Hailey Development Impact Fee Advisory Committee. Don Keirn seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, yes; Burke, yes.**

PUBLIC HEARING:

PH 186 Quigley Canyon Annexation – presentation of water value appraisal for water rights within Quigley Canyon and fiscal impact assessment (continued from January 23 and March 5, 2012). (separate packet)

[5:39:30 PM](#) Mayor Haemmerle outlined the general plan for reaching a decision on this application, emphasizing the goal is to have a decision before the end of May. Mr. Haemmerle noted that the report received from Rich Caplan was only recently received, and the Mayor felt the report arrived too late for good public study before this meeting, so he divided the reports between two meetings. He noted that the May 7, 2012 meeting will be the next meeting to hear public comment on financial issues; and that the final public hearing is planned for May 21, 2012 and that any general comments will be accepted. He further noted a May 23, 2012 special meeting will be held for Council deliberation. Mayor Haemmerle expressed hope that this process be the model of democracy, and that all comments should be respectful, objective and on point.

[5:46:12 PM](#) Rich Caplan participated in this meeting via telephone speaker to explain the cost benefit report, his methods of evaluation, review of figures included, and key assumptions which drove this study. [6:04:50 PM](#) Mr. Caplan further explained analysis of the annexation fee, the breakdown of City services, figures used in the occupancy of residential units, the present economy, and the necessary adjustments made. [6:19:25 PM](#) Mr. Caplan briefly touched on water and waste water revenues and fees, and then offered to take questions or comments.

[6:23:38 PM](#) Mayor Haemmerle asked if representatives for the developer had any questions. Evan Robertson then asked Mr. Caplan about his figures on depreciation, and deficient service levels. Specifically, he wondered if a developer could be expected to make a contribution if City cannot bring services up to anticipated level. Mr. Caplan explained.

[6:26:50 PM](#) Mr. Robertson then asked whether there are any historic records to reflect the levels of deficiency and any relation to the present economic decline. Mr. Caplan and Mr. Robertson further discussed buy-in fees and annexation fees, and whether those would cover depreciation and maintenance. Mr. Caplan pointed out that it would be up to the Mayor and Council to monitor this.

[6:31:28 PM](#) Dave Hennessey, representing the applicant, commented on the Capital Improvement Plan opining that the figure in the Caplan report is inflated and that it might be reasonable if the developer was allowed to pay that fee over the 25 year period.

[6:33:18 PM](#) Mr. Caplan voiced his belief that the fee would be charged in full to the developer now, but thought perhaps it could be made in scheduled payments if the City agreed. He expressed hope that the City and developers would strive for consistency.

[6:35:17 PM](#) Mayor Haemmerle opened the meeting to public comment addressed to Mr. Caplan.

[6:35:28 PM](#) Greg Travelstead, 621 S. 4th Avenue, asked about expected grant funds and the effects on fees, the cost benefit study, the exclusion of real property and water assets currently owned by the City. Mr. Caplan explained that some of the information provided was misstated and provided a more detailed answer to Mr. Travelstead. Mr. Caplan further noted that the water would be addressed in a separate discussion.

[6:43:22 PM](#) Mr. Travelstead inquired further about assumptions of assessed property values, noting the reductions from the last Caplan report, but he still believed the value is high. Mr. Caplan reminded that these figures are averaged over a 25-year period.

[6:49:00 PM](#) Mr. Travelstead additionally inquired about whether all figures were based on 2012 dollars and if using projected real estate values and current dollars was a consistent way to view this.

[6:52:04 PM](#) John Campbell, Old Cutters, inquired about the reduction of annexation fees on the revised study versus the previous study. Mr. Caplan offered an explanation noting that there was lengthy discussion amongst City staff regarding that difference.

[6:54:20 PM](#) Chris Pilaro, 110 2nd Avenue South, questioned the study's number of children stated in residential units and how that was calculated into prospective funding for a school. Mr. Pilaro also asked what the true cost to the developer might actually be and expressed hope that that would not be passed along to potential homeowners in the future.

[6:59:11 PM](#) William Hughes, 241 Eureka Drive, opined there would likely be controversy over the impact fee. Mr. Caplan stated he was comfortable defending that number. Mr. Hughes noted there was no contribution to the library included. Mr. Caplan reminded that the library is to be expanded so he removed it from the CIP. Mr. Hughes inquired about contributions for the firestation; Mr. Caplan noted Quigley's participation would be zero. Mr. Hughes continued by asking where funding will come from if a firestation bond fails at the polls, and further asked Mr.

Caplan to attribute causes for “Hailey’s financial squeeze.” Mr. Hughes further asked for a comparison of foreclosures and the drop in LOT fees and other city revenues.

[7:06:48 PM](#) Russ Sample, 1540 Heroic Road, asked about unfunded City positions and what portion of total annex fees the developer would have to pay.

[7:08:38 PM](#) Jim Phillips, 20 Quigley Road, asked how information on unit values for projecting property tax was obtained. Mr. Caplan explained they were based on the face value of the developer’s asking prices at that time.

[7:09:59 PM](#) Telephone connection with Mr. Caplan was lost.

[7:11:18 PM](#) Connection with Mr. Caplan is regained and Mr. Caplan continued to address Mr. Phillips’s question.

[7:12:43 PM](#) Lili Simpson, 7 Quigley Lane, asked that her comment time be granted to Mr. Travelstead. Mr. Travelstead asked Mr. Caplan if he felt he had adequate time to complete this report. Mr. Caplan replied that he would like to have had more time, but still felt “99% comfortable with the study.”

[7:14:57 PM](#) Mr. Caplan asked for further questions on financing mechanisms and where the values or burdens may fall.

[7:18:35 PM](#) The telephone connection failed briefly and was regained.

[7:20:02 PM](#) Mr. Travelstead asked specifically about a possible levy to Quigley owners rather than any City-wide bond issues.

[7:22:06 PM](#) With no further comment offered, Mayor Haemmerle closed the meeting to public comment.

Pat Cooley asked Mr. Caplan for the total annexation fees the developer would pay, specifically the “big total one-time fee number.” Mr. Caplan roughly calculated the totals at 11.1 million in one-time revenues. He further explained that backing out school district fees, and building permit fees, the total would drop to 7.5 million. Mr. Cooley asked why the firestation was not funded.

[7:26:41 PM](#) Mayor Haemmerle inquired about the structure of the report, asked if one-time fees would come at the same time as annexation fees. Mr. Caplan noted this question is up to the discretion of the Council. Mr. Haemmerle asked for clarification on what appears to be three different annexation fees.

[7:28:41 PM](#) Tom Hellen suggests a correction in the rough calculations Mr. Caplan provided earlier in the meeting. Carol Brown asked for further clarification of total bottom-line fees. Mr. Caplan explained.

[7:30:28 PM](#) Mayor Haemmerle thanked Mr. Caplan for his participation and asked if Mr. Caplan would be available to answer questions from the public if they came through the City by Wednesday. Mr. Caplan assured he would do his best to complete his responses by Friday.

[7:31:28 PM](#) Mayor Haemmerle explained to the public how they could submit questions by noon on Wednesday for Mr. Caplan’s answers by Friday. The mayor further noted there would be another comment period on May 7, 2012. Heather Dawson asked that all questions come to her directly rather than to other staff.

[7:32:56 PM](#) Mayor Haemmerle noted that public comment was also received via email and assured that these comments would be included as part of the public record.

[7:33:59 PM](#) Mayor Haemmerle noted the next phase of the discussion involved the West Water Report, and asked Ned Williamson to summarize. Mr. Williamson provided background on how the value of water rights appurtenant to Quigley was determined. He noted the study showed that the highest and best use of this water right is mitigation purposes. Mr. Williamson clarified

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that the evaluation has a very broad range, so specific value is hard to pin down. He further urged the Council to stay within the recommended range.

[7:41:36 PM](#) Norman Young, a consulting engineer representing applicant Hennessey, introduced himself by saying his background includes 30 years with the Idaho Department of Water Resources. He further advised that he is not an appraiser. Mr. Young referred to his letter to the Council expressing another way of addressing the water rights issues at hand, and explained more about using water rights for mitigation purposes. He asked if the report looked at future conjunctive management, rental of water rights versus purchase of them, and whether the report adequately looked at Croy water in the same way as Quigley water. Mr. Young expressed hope that the appraiser will look at his/her analysis with his ideas in mind.

[7:50:17 PM](#) Evan Robertson, representing the developer, asked if the City expected West Water to respond to Mr. Young's questions. Ned Williamson opined that West Water would respond if requested to do so by City. Mayor Haemmerle asked the applicant to request that West Water respond since they paid for the study. Ned Williamson noted he will ask West Water to respond. Mr. Robertson provided his opinion on ways the study may be viewed and/or analyzed.

[7:56:52 PM](#) Council discussion included Martha Burkes inquiry about how much of this is real science, how much is water law, how many more outcomes might the City get with more information. Mayor Haemmerle offered some explanation noting there is water law and water politics to be considered. Discussion continued on priority dates and the importance of those.

[8:01:52 PM](#) Mayor Haemmerle reminded that both the Caplan and West Water reports will be open to public comment in May meetings.

[8:02:24 PM](#) Greg Travelstead, 621 4th Avenue South, noted the need for a dual pressurized system as suggested by SPF Engineering and the inherent economic consideration. Mr. Travelstead asked what the developer would get in return for that.

[8:04:22 PM](#) Curtis Uhrig, 100 3rd Avenue South, pointed out his father was born in Hailey, has lived his whole life here, and believes "the City would be plum crazy not to jump on these water rights."

[8:05:02 PM](#) With no further comment offered, Mayor Haemmerle closed the meeting to public comment, and called a five minute recess.

[8:12:58 PM](#) The mayor called the meeting back to order.

PH 187 Review of Friedman Memorial Airport Authority May 1, 2012 agenda and decision items.

[8:13:12 PM](#) Mayor Haemmerle asked Martha Burke to update the Council on the City's SMS request. She informed that the outcome was to move forward with a Safety Case Analysis. Ms. Burke offered deeper explanations of the process with the FAA and possible next steps. Mayor Haemmerle expressed his frustration with the FAA process. Ms. Burke noted she has worked many years with the FAA and still experiences the same frustrations. Discussion continued on next steps and efforts to achieve clear communication with the FAA.

[8:42:47 PM](#) Mayor Haemmerle noted he signed off on a letter regarding regional jets arriving at Friedman Airport and particularly addressed two Bellevue residents present at this meeting. He was concerned that the two residents may have been misinformed about the letter and whether or not it had been sent. Evan Stelma, 111 Tendoy, reported that Bellevue residents were told the letter was pulled from their City Council agenda. Mayor Haemmerle believed the signed letter was sent. He pointed out that he signed a letter that had no signature line for the City of Bellevue because it was anticipated Bellevue would not agree to sign. He encouraged the Bellevue residents to return to their city leaders for clear information. Tony Evans, Idaho

Mountain Express, noted he wrote an article for this week's paper that would provide more information. Mayor Haemmerle requested this matter be made an agenda item for a future meeting when more information was available. [8:48:37 PM](#)

[8:48:51 PM](#) **Carol Brown is dismissed from the meeting at her request.**

[8:49:38 PM](#) open to public,

[8:49:44 PM](#) Leslie Roberts, 270 Melrose, asked for clarification of the letter Mayor Haemmerle signed. The mayor and Martha Burke explained, and Mr. Haemmerle requested that staff post the letter on the City's website.

[8:51:18 PM](#) With no further comment offered, the matter was closed to public comment.

NEW BUSINESS:

NB 188 Consideration of bids for construction of Hailey Rodeo Park Interpretive Center, and authorization of Notice of Award to low bidder, construction contract and associated Resolution 2012-30 and notice to proceed.

[8:51:27 PM](#) Heather Dawson provided an overview noting the low bid went to Sawtooth Construction, a local company.

[8:52:16 PM](#) **Martha Burke moved to authorize the Notice of Award, to approve the contract, and to approve Resolution 2012-30. Don Keirn seconded. Roll call vote: Keirn, yes; Cooley, yes; Burke, yes.** (Note to record: Ms. Brown was earlier dismissed from the meeting.)

OLD BUSINESS:

OB 189 3rd Reading of Ordinance 1104 amending Chapter 14.01 of the Hailey Municipal Code entitled Annexation Procedures.

[8:53:29 PM](#) **Don Keirn moved to conduct the third reading of Ordinance 1104. Martha Burke seconded. Roll call vote: Keirn, yes; Cooley, yes, Burke, yes.** Mayor Haemmerle conducted the reading.

WORKSHOP:

Staff Reports Council Reports Mayor's Reports

SR 190 Library Director's Report.

SR 191 Letter from Parks & Lands Board regarding Skate park restroom.

SR 192 Listing of Special Events.

[8:54:57 PM](#) Mayor Haemmerle pointed out the skate park restroom matter remains unsolved and that he thought Janet Fugate's letter to the City had good suggestions for remedying the problem. Tom Hellen provided some details of state law that must be satisfied. Consensus was to move forward with Ms. Fugate's suggestion of a portable modular unit as soon as possible.

[8:57:11 PM](#) **With no further business at hand, Mayor Haemmerle adjourned the meeting.**

Fritz X. Haemmerle, Mayor

Mary Cone, City Clerk