

**MINUTES OF THE  
HAILEY CITY COUNCIL SPECIAL MEETING  
Thursday August 30, 2012 \* Hailey City Hall Meeting Room**

**Present:** Carol Brown, Don Keirn, Fritz Haemmerle, Pat Cooley, Martha Burke

**Staff:** Heather Dawson, Ned Williamson, Tom Hellen, Micah Austin, Roger Parker, Jeff Gunter

**5:30 p.m. CALL TO ORDER -**

**5:31:14 PM** Mayor Haemmerle called the meeting to order.

**Open Session for Public Concerns**

**5:31:27 PM** None.

**5:31:45 PM** Martha Burke moved to add a late item to agenda, NB 363. Don Keirn seconded.

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

**CONSENT AGENDA:**

CA 350 *Motion to ratify grant application to Idaho State Historical Society for interpretive exhibit funding of \$2,500.*

CA 351 *Motion to approve Resolution 2012-62 authorizing insurance plan under III-A for major medical insurance terms and conditions for city employees.*

CA 352 *Motion to approve alcohol license renewal for Hailey business, Fresshies.*

CA 353 *Motion to approve and authorize the mayor to sign phone hardware maintenance agreement with Avaya, Inc. for city hall phone system.*

CA 354 *Motion to approve special event UCF boxing event and authorize mayor to sign, event to be held at WRHS Gymnasium Friday Oct. 27, 2012 from 7-10 pm.*

CA 355 *Motion to approve special event boxing smokers event and authorize mayor to sign, event to be held at Hailey Armory Saturday September 22 from 7-10 pm.*

CA 356 *Motion to approve minutes of August 20, 2012 and to suspend reading of them.*

CA 357 *Motion to approve claims for expenses incurred during the month of August 2012, and claims for expenses due by contract in September 2012.*

**Carol Brown pulled CA 356 in order to abstain. Martha Burke moved to approve the Consent Agenda minus CA 356. Pat Cooley seconded. Roll call vote: Brown, yes; Keirn, yes; Haemmerle, yes; Cooley, yes; Burke, yes.**

**5:33:13 PM** Martha Burke moved to approve CA 356. Don Keirn seconded. Roll call vote: Brown, abstained due to absence; Keirn, yes; Haemmerle, yes; Cooley, yes; Burke, yes.

**MAYOR'S REMARKS:**

**5:33:36 PM** Mayor Haemmerle announced that Reese Dibble is retiring after 13 years of service with the Hailey Water Department. The Mayor noted Mr. Reese's fine history of service to the City and in the US Navy, adding that he has been resourceful and highly respected. Cole Balis will take over for Mr. Dibble.

## **PRESENTATIONS:**

CA 358 *Wastewater Infrastructure needs.*

[5:36:04 PM](#) Roger Parker presented a Power Point explaining the current condition of the wastewater system infrastructure, the need for maintenance and equipment upgrades, and the possible necessity of a sewer bond for funding these needs. Mr. Parker gave details and reasons for infrastructure needs and noted tightened requirements from the EPA and DEQ. [6:07:48 PM](#) Council discussion included a summary of next steps and the need for a comprehensive discussion on costs and methods. [6:09:39 PM](#)

## **PUBLIC HEARING:**

PH 359 *Request by Fly Sun Valley Alliance for Local Option Tax measure to raise funding for minimum revenue guarantees (MRG's) and marketing and, consideration of proposed ballot language (Ordinance No. 1109 with Resolution 2012-60 calling special election) and joint powers agreement with Resolution 2012-61 (continued from August 6, 2012 and August 20, 2012 City Council Meetings).7*

[6:09:54 PM](#) Mayor Haemmerle opened the discussion by noting two main issues: the scope of ballot LOT language, and whether Hailey should be party to the JPA if the ballot measure fails.

[6:12:00 PM](#) The Mayor opened the meeting to public comment. Ned Williamson provided an explanation of LOT figures showing how much a potential 1% increase may bring in, and explained which monies could be spent on what specific uses.

[6:15:31 PM](#) Jacob Greenberg, owner of Shorty's Diner and Indian Creek resident, described the proposed increase as a "circular nature of giving money to airlines in order to sell seats and then charging passengers when they come here." He added that merchants would take another 1% hit from credit card merchant discounts on top of the new LOT, noting that his service staff would likely take a decrease in tips. He noted he was neither for or against the measure, but hoped it was clear that locals would bear most of the cost.

[6:18:35 PM](#) Wendy Bullock, 741 Sunrise Drive, asked for clarification of MRGs, asking specifically if this was a per seat or annual charge. She voiced frustration at the high cost of flying out of Hailey while taxes are paying for empty seats. She further inquired as to the actual MRG amount.

[6:21:12 PM](#) William Duke, 1021 Foxmoor, noted that while Hailey is not a direct beneficiary of tourist dollars from airplane seats, "we are all in this together."

[6:22:56 PM](#) Larry Schwartz, owner of DaVinci's, voiced his belief that there is "little support of local customers and businesses for this burden."

[6:24:32 PM](#) Peter Lobb, 4<sup>th</sup> and Carbonate, suggested this is "a fairness issue," and encouraged extending the increase to all businesses and dropping the additional 1% on bars and restaurants so that "we all pay if we all gain."

[6:26:19 PM](#) Ned Williamson explained the limitations imposed by law in that regard.

[6:26:44 PM](#) Pete Prekeges, 100 S. Hiawatha, asked if ballot language was already in place noting that he is unaware of any real plan for MRGs. He hoped for equal taxation in order not to face a court challenge for unfair taxation.

[6:32:02 PM](#) Geoffrey Moore, 406 1<sup>st</sup> Avenue South, felt language used on this matter has been "fear-based," and encouraged the Council to "present this accurately or another bond will never pass here again."

[6:33:43 PM](#) Steve Crosser, 431 Aspen Drive, expressed hope that the bar and restaurant tax would be dropped from any ballot language, and asked what percentage of this money would be applied to paying employees of the Fly SV Alliance.

[6:35:45 PM](#) Bob McLeod, 417 E. Myrtle, noted “commercial air service is critical” to local economy.

[6:36:10 PM](#) Walter Denekas, new Marketron CFO, added that the MRG is meant to expand air service to new markets not being served currently, and his belief that this would tap local air service into major hubs. He further noted that fairness is a true issue here and the discussion needs to happen. “We must make sure that people who have the answers to hard questions attend these public hearings.”

[6:38:34 PM](#) Tom Bowman, Blaine County Commissioner, advised that the commission had provisionally passed the JPA at their last meeting, and asked the Council’s opinion of the language included.

[6:40:34 PM](#) Jacob Greenberg clarified that he does support MRGs, but wants everything clearly understood and added that he could support the addition tax on bars and restaurants provided they were applied correctly.

[6:42:38 PM](#) Peter Scheurmier, Avis Rent-A-Car and Fly Sun Valley Alliance, clarified the marketing focus of the new LOT.

[6:41:14 PM](#) Jack Sibbach, Fly Sun Valley Alliance and Sun Valley Co., explained that Sun Valley Resort was not “trying to get out of our obligation to MRGs,” noting they have already earmarked monies for this. But, he noted the need to partnership with the public in order to expand the current market.

[6:43:09 PM](#) Rick Baird, Friedman Airport Manager, advised “we have fewer enplanements today than before and the rates continue to decline. The MRG will remove the risk from the airlines. We need to understand that the airline industry is created by the economy, not just here and not by Fly Sun Valley or Sun Valley Company. As a community, we must act. This is an opportunity to help ourselves.”

[6:46:33 PM](#) Heather noted she received an email from Ramona Duke in favor.

[6:46:51 PM](#) With no further public comment offered, Mayor Haemmerle closed this portion of the meeting. Council discussion included the numbers and facts presented at the last meeting, protecting the community’s future, the effect of the bar and restaurant increase on local customers, recognition that this is not a city-initiated tax, indebtedness to the FAA for the airport and possibilities for paying that debt if commercial air service ends, the importance of providing affordable service to local citizens if they are to pay higher taxes. Mayor Haemmerle expressed continued concerns with the legality of the proposed tax and his disappointment with fear-based language in use. [6:59:44 PM](#) Discussion continued on the JPA.

[7:07:29 PM](#) Ned explained the draft of Ordinance 1109 provided in Council packets noting the specific changes suggested by the Council.

[7:11:16 PM](#) **Carol Brown moved to approve Ordinance 1109 with the specific changes outlined by Mr. Williamson, to waive the three readings and to authorize the mayor to sign. Martha Burke seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, yes; Burke, yes.** Mayor Haemmerle conducted the reading.

[7:13:42 PM](#) Ned Williamson then explained Resolution 2012-60.

[7:14:26 PM](#) **Martha Burke moved to adopt Resolution 2012-60 and to authorize the Mayor to sign. Don Keirn seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, yes; Burke, yes.**

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PH 360 *Woodside Boulevard Project.*

- *Contingent Approval of Third Pay Request for \$725,133, pending Civil Science approval*

[7:16:33 PM](#) Tom Hellen explained the most recent Federal Highways report noting that it is satisfactory.

[7:18:01 PM](#) Mayor Haemmerle opened the meeting to public comment. None was offered.

[7:18:13 PM](#) **Don Keirn moved to approve contingent approval of the Third Pay Request for \$725,133.00. Carol Brown seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, abstained; Burke, yes.**

- *Approval of change order's over \$10,000, Change Orders # 008 and #019*

[7:18:45 PM](#) Tom Hellen explained the change orders. Discussion included ways this saves money overall. [7:20:16 PM](#) **Martha Burke moved to approve Change Order #008. Don Keirn seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, abstained; Burke, yes.**

[7:20:50 PM](#) Mayor Haemmerle spoke on Change Order #019, noting that it is better practice not to patch and ways in which the budget could manage this change order. **Carol Brown moved to approve Change Order #019. Don Keirn seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, abstained; Burke, yes.**

- *Approval of Property Use Agreement at 3531 Woodside Boulevard*

[7:23:35 PM](#) Tom Hellen explained this agreement does not reflect an increase in cost. **Carol Brown moved to approve the Property Use Agreement. Martha Burke seconded. Roll call vote: Brown, yes; Keirn yes; Cooley, abstained; Burke, yes.**

#### **NEW BUSINESS:**

NB 363 *Discussion and potential acceptance of proposals received regarding the Irrigation Main Extension from Woodside Blvd. to Balmoral and Keefer Parks.*

[7:24:38 PM](#) Mayor Haemmerle noted this expense was anticipated and is covered in the budget. Tom Hellen explained that the purpose is to get water from Hiawatha Canal to irrigate Keefer Park and that it is best practice to do this now before the street is newly paved. He further explained the bids received for the project.

**Martha Burke moved to approve MB 363 accepting the lowest bid on the condition of obtaining a public works license. Don Keirn seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, abstained; Burke, yes.** Mayor Haemmerle asked if a bid can be accepted from a bidder without a public works license.

[7:28:40 PM](#) Mayor Haemmerle called for a short break in the meeting.

[7:29:14 PM](#) **Martha Burke moved to go into executive session for Pending & Imminently Likely Litigation (IC 67-2345(1)(f)). Don Keirn seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, yes; Burke, yes.**

[7:47:36 PM](#) Council returned from Executive Session and discussion turned to NB 363. Ned Williamson advised that bids can be accepted from non-Public Works license holders. He suggested accepting the low bid with the contingency of obtaining a Public Works license. Mayor Haemmerle suggested motion language to comply, specifically to accept the low bid from

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Sluder contingent on receipt of a Public Works License, contingent on City Attorney's review regarding the process of bidding and Public Works License holding, and receipt of a Public Works License by a date certain. **Carol Brown so moved. Martha Burke seconded. Roll call vote: Brown, yes; Keirn, yes; Cooley, abstained; Burke, yes.**

**STAFF REPORTS:**

Staff Reports

Council Reports

Mayor's

Reports

*SR 361 Hailey Library Director's Report from July 2012.*

*SR 362 Invitation from Union Pacific Railroad to attend UPCARES a public education program and enjoy a train ride while learning about rail safety.*

[7:50:53 PM](#) Jeff Gunter explained his department is photographing alleys in an effort to reclaim them. Some are currently being used for storage and dumping. Mayor Haemmerle voiced strong support.

[7:52:16 PM](#) Micah Austin noted he is happy to report new economic development projects and new construction. He further advised the URA will request monies at the Council meeting on September 17<sup>th</sup>.

[7:55:36 PM](#) Geoffrey Moore challenged the Council to use the paperless packet procedure recently employed by the P & Z commission noting that it saves staff time and money.

**Adjourn.**

[7:57:55 PM](#) Mayor Haemmerle adjourned the meeting.