

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD JULY 18, 2016
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at 5:30 P.M. by Mayor Fritz Haemmerle. Present were Council members Colleen Teevin, Don Keirn, and Martha Burke. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson, and City Clerk Mary Cone.

Pat Cooley was not in attendance tonight.

[5:30:25 PM](#) Call to order by Mayor Haemmerle

Open Session for Public Comments:

[5:30:50 PM](#) LeAnn Gelskey Hailey Library Director announced a thank you to The Friends of the Hailey Library for a successful Hailey Garden Tour and special thanks to chair Robin Crotty, it was the most successful tour yet.

[5:31:28 PM](#) Chris Werth a Hailey resident asked about CA242, water rights contract. Mayor Haemmerle responds.

CONSENT AGENDA:

- [CA 241](#) Motion to approve letter of support and authorize the Mayor to sign for increasing the AIP 3-1600016-041 grant in the amount of \$26,000
- ~~[CA 242](#) Motion to approve Resolution 2016-83, authorizing agreement with Blaine County School District to allow the use of Hailey's water right from the Northridge Irrigation well for use at the Wood River Middle School, changed from the version reviewed by the city council on June 20, 2016.....~~
- [CA 243](#) Motion to approve Resolution 2016-90 authorizing an agreement with Clearwater Landscaping for tree irrigation work on the west side of Main Street between Croy and Bullion Streets
- [CA 244](#) Motion to approve Resolution 2016-91, authorizing agreement with Idaho Asphalt Supply, Inc. for chip seal oil in an amount of \$15,800, plus transport charges.....
- [CA 245](#) Motion to approve Resolution 2016-92, authorizing an Agreement with iWorQ for a sidewalk condition inventory in the amount of \$6,504.00
- [CA 246](#) Motion to approve Resolution 2016-93, authorizing an Agreement with EC Electric for improvements to electrical system on Main Street
- [CA 247](#) Motion to approve Resolution 2016-94, authorizing an agreement with the Blaine County Recreation District to extend the existing agreement to use of a portion of Lions Park for Croy Nordic.....
- [CA 248](#) Motion to approve Resolution 2016-95, authorizing an agreement with Galena Engineering for assistance with developing an application for a Conduit Exemption with the Federal Energy Regulatory Commission (FERC) in the amount of \$6000
- [CA 249](#) Motion to approve Resolution 2016-96, Change Order #4 with CNI for additions and subtractions to the contract, in the amount of \$28,609.26
- [CA 250](#) Motion to approve Wastewater Treatment Plant Biosolids Project pay request #12 to CNI in the amount of \$474,956.26.....
- [CA 251](#) Motion to approve Resolution 2016-97, authorizing Library internet contract for public area computers and proceed with the USAC E-Rate program discount application.....

- [CA 252](#) Motion to approve Resolution 2016-98, authorizing the Mayor to sign an amended contract agreement with Evelyn Phillips in an amount not to exceed \$1,000 for the preparation of the Hailey Trails Map
- [CA 253](#) Motion to ratify approval of Resolution 2016-99, for a special event permit for the Wood River Land Trust’s Riverfest at Lions Park on July 4, 2016
- [CA 254](#) Motion to approve special event, Goode Motor Company, Battle of the Brands at Roberta McKercher Park (Monday, August 1st, 2016 – Saturday, August 6th, from 9:00am to 7:00pm.).....
- [CA 255](#) Motion to approve alcohol license for The Smokey Bone LLC and Muleshoe Tavern (N & H Pub, LLC) conditional on receiving copies of State and County Licenses
- [CA 256](#) Motion to approve Resolution 2016-100, waiving prohibition of alcohol sales within 300 feet IC §23-913Beer and Wine application within 300 feet of church or school for Wise Guy Pizza at 411 North Main St.
- [CA 257](#) Motion to approve Alcohol License Renewals for restaurants.....
- [CA 258](#) Motion to approve minutes of June 20, 2016 and to suspend reading of them
- [CA 259](#) Motion to ratify claims for expenses incurred during the month of June, 2016, and claims for expenses due by contract in July, 2016
- [CA 260](#) Motion to approve claims for expenses incurred during the month of June, 2016, and claims for expenses due by contract in July, 2016
- [CA 261](#) Motion to approve Treasurer’s reports for June 2016

Williamson pulls item CA 242.

5:32:19 PM Keirn moves to approve all consent agenda items minus CA 242, seconded by Burke, motion passed unanimously.

5:32:44 PM Item CA 242, will move this item to next council meeting.

MAYOR’S REMARKS:

5:33:08 PM Mayor Haemmerle comments on current matters. Haemmerle commends HPD on their service to community. Citizens need to be generally communicative with their governments. I think if we promise to do these things we should see less denigration in our cities.

PUBLIC HEARINGS:

PH 262 Introduction of Hailey’s Annexation Study, which sets forth a set cost for annexation into the City of Hailey

5:35:17 PM Horowitz reviewed the concept for annexation fees. Horowitz gives an update on the work that has been done on this item to revise our fee structure around annexations. Annexation fees are set to offset infrastructure impacts to the city in the interim before taxes are collected on developed properties.

5:38:06 PM Williamson explains what this report is intended to communicate.

5:38:39 PM Horowitz reviews 3 cost component categories, operating costs, fixed asset buy-in and water rights buy-in. Horowitz explains how development fees are calculated; first with calculating operating costs. Then fixed assets buy-in, includes equipment building and land.

And third: Water rights buy-in, irrigation for land over ½ acre not included in this calculation. Horowitz shows how to calculate water rights buy-in for a 10 lot single family annexation.

[5:45:04 PM](#) Haemmerle asks how long we've been discussing this study, Horowitz replied, 1 year.

Public comments:

[5:45:53 PM](#) Tony Evans Idaho Mountain Express, what is the difference between Development Impact Fees (DIF) and Annexation fees. Williamson answers the question. DIFs are set to cover future expansion. Annexation fees should be equity allocated, operating costs and time that taxes are received, another component, equity buy-in.

[5:47:46 PM](#) Peter Lobb Hailey resident. Hopefully this will stand up in court. Looks good to Lobb. Lobb asks council to consider, do annexations pay for themselves over the long run? Looks like a good idea.

[5:48:49 PM](#) Tony Evans Idaho Mountain Express asked a general question about how this changes since the Old Cutters annexation happened. Haemmerle responds. [5:49:41 PM](#) Williamson comments, even if developer is willing to pay the fees, council gets to decide whether property is annexed.

[5:51:07 PM](#) Jim Phillips Hailey resident comments to council. Phillips asks if these fees address the fiscal impact study? How do the 2 relate? Every annexation is different, and difficult to assess impacts of various annexations and know if fees charged/collected are appropriate. Developers want to know all fees involved before getting annexed. If the annexation triggers a threshold requiring a new well to be dug. [5:54:32 PM](#) Phillips asks about operating costs. Phillips suggests looking back at past studies to see how residential development has paid for itself? Phillips comments on the Asset Buy-in approach.

Council deliberation.

[5:59:01 PM](#) Haemmerle responds to Phillip's comments. Haemmerle asks can we update periodically and review the dollar amounts of our fixed assets inventory. Williamson comments. The depreciation should be reviewed about every 5 years, added Haemmerle. Haemmerle asks a question about annexations triggering a threshold which would require the need for a redundant well. Williamson comments. Haemmerle feels we will need to review the annexation study at the same time any ordinance changes are considered.

[6:04:46 PM](#) Keirn comments, suggesting rounding up \$1.59 calculation on the water rights buy-in. The sum is \$818.85, you should round this up to \$819.

[6:05:35 PM](#) Burke asks a question about annexations, and the negotiated process between the City and developer. Is this still negotiated? Williamson answers. Haemmerle responds to Burke's question.

[6:09:16 PM](#) Williamson gives a couple of options, add statement generally about unknown triggering costs that annexations may create.

[6:10:21 PM](#) **Burke moves to continue this discussion to the August 15th meeting, motion seconded by Keirn, motion passed unanimously.**

PH 263 Discussion and adoption of tentative budget for FY 2017, in preparation for August public hearing on budget, in an amount not to exceed 12,017,542

[6:10:48 PM](#) Dawson opens the discussion on this item, it is virtually the same form as council saw on June 20th. Dawson found 2 areas to increase revenue, irrigation in the summer months. Dawson suggests council adopts a not to exceed amount tonight so that the Treasurer can publish this notice for a Public Hearing discussion on Aug 15th. Dawson thanked department heads and treasurer for working hard on this budget. Not to exceed amount is on Page 301, and it is \$12,017,542.

No Public comments.

[6:14:04 PM](#) **Burke moves to adopt not to exceed 2017 budget amount of \$12,017,542, seconded by Keirn, motion passed with roll call vote. Teevin, yes. Keirn, yes. Burke, yes.**

PH 264 Discussion and adoption of tentative amendment to the budget for FY 2016, in preparation for August public hearing on an amendment to the budget that would increase Hailey's appropriation by \$3,129,770

[6:14:56 PM](#) Dawson explained the 3 things affecting our budget, first is the Wastewater treatment plant project, need to move \$2,900,000 to this fiscal year because project got a slow start last fall. We need to keep a 20% reserve, \$95,000, want to appropriate these funds to items on pg. 239 in packet. And third, we want to appropriate grant funds awarded this year to be able to account for these funds. Dawson, suggests to council to adopt the tentative budget amendment \$3,129,770 as the not-to-exceed amount and then allow treasurer to publish notice for next meeting in August.

public comments

[6:18:02 PM](#) Chris Werth Hailey resident, asked if the project will be finished this year if you move the funds to this fiscal year? Haemmerle responds to question.

Council deliberation.

[6:19:39 PM](#) Keirn comments fire dept. and library, building repairs, makes a suggestion regarding necessary structure costs. Aberbach commented that the fumes were mitigated last year at the Hailey Fire Department building.

[6:21:44 PM](#) Haemmerle asks if there are other unfunded projects. Dawson comments. Gelskey talks about the HVAC system in the library, 1 of 3 units are working. Dawson responds. Haemmerle comments.

[6:25:42 PM](#) Haemmerle brings up the Hailey trails map, was it necessary? No, but it does add flavor and vitality to our town.

[6:26:18 PM](#) Teevin asks a question about the Library's budget. Gelskey responded that a new HVAC system is not in her budget as she found out about it too late in the budget cycle process.

[6:28:58 PM](#) Dawson gives an example to answer Teevin's question. Snow removal last winter.

Dawson makes a suggestion on this process.

[6:34:53 PM](#) **Motion to amend budget not to exceed amount of \$3,129,770, made by Burke, seconded by Keirn, motion passed with roll call vote, Burke, yes. Keirn, yes. Teevin, yes.**

PH 265 Consideration of Hailey Library non-resident fees with Resolution 2016-101

[6:35:41 PM](#) Gelskey presented this item to council. Gelskey announced that the Idaho Commission for Libraries suggests to adjust this fee annually. Our fee was last updated in 2009. Hailey homeowners pay \$63/year for their card while non-residents are paying just \$50. This resolution presented tonight brings those fees in line with each other. Going forward, fees would be adjusted annually and according to the calculated presented tonight. If changes are more than 5%, then a public notice process would occur.

[6:38:10 PM](#) Lobb Hailey resident, should we charge more for these fees? This seems reasonable.

[6:38:38 PM](#) **Burke moves to approve Resolution 2016-101, Keirn seconds. Motion passed with roll call vote, Teevin, yes. Keirn, yes. Burke, yes.**

PH 266 Consideration of hands-free cell phone ordinance (continued from 06/20/16)

[6:39:07 PM](#) Williamson gives a recap from the last meeting's conversation and the changes he's made. Those suggestions are in tonight's proposed ordinance.

Public Comments:

[6:40:51 PM](#) Bob MacLeod Hailey resident, is concerned about communicating this law to cars driving through town. Is there some way to give a warning? It could be not well received if public are not informed. Haemmerle responds, this is only about safety.

[6:45:16 PM](#) **Keirn moves to approve Ordinance No. 1201 and authorize Mayor to conduct 1st Reading by title only, seconded by Teevin, motion passed with roll call vote. Burke yes. Keirn, yes. Teevin, yes.**

[6:45:44 PM](#) Mayor conducts 1st reading of Ordinance No. 1201, by title only.

NEW BUSINESS:

NB 267 Consideration of request from ARCH for commitment of city owned property in Woodside for housing

[6:46:28 PM](#) Michelle Griffith speaks to council, this proposal is in its very beginning stages. IHFA grant funds request must be sent by Aug 1, 2016, ARCH needs a letter of intent from city of Hailey in order to submit an application by this deadline.

Griffith hands out a presentation to council. Griffith explains the rental housing crisis in our valley, average rental price \$1,300 for a 3 bedroom house. They would be able to rent a unit from ARCH for \$900 /month after the utilities allowance. Griffith explains that there are only 8 residences within 300 feet of this property. Griffith explains why she suggests a 2 story design for this building, making the transition from business to residential more palatable. Griffith's asks for a letter tonight, potential rezone and then question to P&L board releasing property as park.

[6:57:40 PM](#) Haemmerle asks a question. Griffith responds.

[6:58:03 PM](#) Haemmerle asks for deed from this property, how we got this land. Williamson gave an overview of this deeded property. Use restriction is for public use – public purpose. The prior owner was contacted and asked if we could remove the public purpose restriction. The previous owner would not agree to lift this restriction. Williamson feels affordable housing is a public purpose. There is a trail behind the property which we would continue to keep.

[7:01:04 PM](#) tony evans Idaho mountain express, thanked ARCH. Evans comments on River Street apartments, most residents are from outside Hailey. Can we make sure these units are rented to Hailey residents and not outside properties. Evans comments about River Street apt. management, cannot comment above the local property management head.

[7:04:03 PM](#) Peter Lobb, does this create a spot zone issue? Also, are we only providing housing for people we select? There are more people in city.

[7:05:23 PM](#) Chris werth hailey resident would much rather see a park there. Open space or park would be a better use of this property.

[7:06:14 PM](#) Michelle Griffith responds to some comments. If ARCH uses federal funds, then we must consider all applicants on a first come first served basis. There are processes for complaints within each housing facility.

Council discussion.

[7:09:27 PM](#) Haemmerle, zoning is not a consideration tonight. As far as the parks comment, we have lots of parks in our city and we do not need any more to take care of...

[7:10:51 PM](#) Keirn asks GR on the other side of the property. Keirn likes the 4 unit proposal.

[7:11:39 PM](#) Teevin asked a question of Williamson about the conversation about 1 year ago with the previous owner of the property. Dawson added to the history of this situation.

[7:14:16 PM](#) **Burke is in support of writing a letter, motion to approve letter, seconded by Keirn, motion passed unanimously.**

NB 268 Consideration of a contract for services with Harmony Design and Engineering for north River Street concept design and public outreach in an amount not to exceed \$5,800

[7:15:12 PM](#) Harmony Design, Horowitz gave a background of this item. The City first contracted with Harmony Design in 2010 when we were awarded a grant \$500,000 but had to give it up as we were also awarded the Woodside street grant. We've applied for an Local Highway Technical Assistance Council (LHTAC) grant \$1,800,000 for design year of 2018. Feel it would be valuable to bring Harmony back to consider focusing on Northern River street design especially because Les Schwab is looking to make improvements to their property too. Horowitz is proposing a \$5,800 contract with Harmony Design, for them to conduct a public outreach forum. Would like to work with Harmony in next 6-8 weeks and then bring info to council after that.

[7:20:00 PM](#) **Burke moves to approve Resolution 2016-102 authorizing contract with Harmony Design for a not to exceed amount of \$5,800, Keirn seconds, motion passed unanimously.**

OLD BUSINESS:

OB 269 2nd Reading of Ordinance No. 1199, a City-initiated text amendment to Title 16, Chapter 16.06, Section 16.06.030, clarifying the application and review for Lot Line Adjustments in Townsite Overlay

[7:20:46 PM](#) **Mayor Haemmerle conducted the 2nd reading of Ordinance No. 1199, by title only.**

STAFF REPORTS:

[7:21:49 PM](#) Chris Pomeroy new airport manager introduced himself to the room.

[7:22:53 PM](#) Craig Aberbach Hailey Fire Chief announced a grant award received today for \$51,000, which will help purchase a new vehicle and equipment grant awarded today.

[7:23:26 PM](#) Dawson there will not be a city council meeting on Aug. 1, 2016. The Planning and Zoning Commission and Development Impact Fee committee will meet on Aug 1st. On Aug

15th, the City Council will continue discussing DIF and annexation ordinance. May need a special meeting on Aug, 29th.

[7:24:42 PM](#) Burke shared a story about Teddie Daley needing oxygen and a Hailey Police Officer escorted her to her house so that she could the oxygen more expediently. We need to find out which officer this was and thank him.

With no further business to discuss a motion to adjourn was made.

[7:26:11 PM](#) **Keirn moved to adjourn meeting, Burke seconded, motion passed unanimously.**