

**MINUTES OF THE MEETING OF THE  
HAILEY CITY COUNCIL  
HELD MARCH 25, 2019  
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at 5:31 P.M. by Mayor Fritz Haemmerle. Present were Council members Jeff Engelhardt, Pat Cooley, and Martha Burke. Staff present included City Attorney Christopher P. Simms, City Administrator Heather Dawson, and City Clerk Mary Cone.

Kaz Thea not in attendance.

Jeff Engelhardt attended via conference phone

[5:31:46 PM](#) call to order by mayor Haemmerle

Open Session for Public Comments:

none

**CONSENT AGENDA:**

- [CA 091](#) Motion to ratify Mayor’s letter to Federal Aviation Administration (FAA) on plans for future power lines acting as obstacles at Friedman Memorial Airport **ACTION ITEM**.....
- [CA 092](#) Motion to approve application for FY 2020 Idaho Emergency Medical Services (EMS) Account III Grant for rescue Personal Protective Equipment (PPE), pagers and radios totaling potential grant award of \$11760.95 **ACTION ITEM**.....
- [CA 093](#) Motion to approve receipt of grant funds from Idaho Commission for Libraries on their Broadband Toolkit Improvement Program, \$500 award **ACTION ITEM**.....
- [CA 094](#) Motion to ratifying signature on grant agreement with Idaho Commission for Libraries on their 2019 Summer STEM Program, \$600 award with Resolution 2019-024 **ACTION ITEM**.....
- [CA 095](#) Motion to approve Resolution 2019-025, and authorize the Mayor to sign the Adopt A Park agreement with Sun Valley Services for mowing at Jimmy’s Garden during the 2019 park season **ACTION ITEM**.....
- [CA 096](#) Motion to approve Resolution 2019-026, and authorize the Mayor to sign the Adopt A Park agreement with Clearwater Landscaping for maintenance at Keefer Park during the 2019 park season. **ACTION ITEM**.....
- [CA 097](#) Findings of Fact, Conclusions of Law and Decision for the Final Plat Application, submitted by Old Cutters, Inc., requesting to resubdivided Lot 14, Block 5, Old Cutters Subdivision (621 Doc’s Hickory Drive), into two (2) sublots, each comprising of 5,000 square feet. This project is located in General Residential (GR). **ACTION ITEM**.....
- [CA 098](#) Motion to ratify claims for expense during the month of February, 2019 **ACTION ITEM**.....
- [CA 099](#) Motion to approve claims for expenses incurred during the month of February, 2019, and claims for expenses due by contract in March, 2019 **ACTION ITEM**.....

[5:32:31 PM](#) **Burke moved to approve all consent agenda items, seconded by Cooley, motion passed with roll call vote, Cooley, yes. Burke, yes. Engelhardt, yes.**

**MAYOR’S REMARKS:**

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Good town hall meeting last week. Haemmerle asks if anyone has comments.

[5:33:12 PM](#) Burke announces that she would like to serve this community as Mayor of City of Hailey. Burke will be campaigning and learning, to keep us moving forward.

[5:34:09 PM](#) Haemmerle comments being Mayor is a very fulfilling position and is meaningful. To Burke, you have served on council for a long time. Haemmerle concludes you will have a great staff that will help you and he is happy to pass the baton to Burke.

### **PUBLIC HEARINGS:**

*PH 100 Consideration of ballot(s) to increase City of Hailey funding, with discussion and decision about which is the preferred funding mechanism for a May 2019 ballot question on funding additional maintenance, street projects and/or a Town Square ACTION ITEM*

[5:34:59 PM](#) Heather Dawson explains the possible ballot options prepared after the discussion in the last council meeting, you may adopt one or many, or none, it is your choice. The first one in the packet is a 2 year levy, it could secure short window of funding for town square or river street, and it is an opportunity to show what city can do with those funds in a 2 year period.

[5:36:30 PM](#) Next is the Idaho Power franchise fee ballot, Dawson has passed out a revised ballot to council at the meeting today, it includes how the funds would be used, such as, street / right of way maintenance, and critical infrastructure maintenance. It is the critical infrastructure language that has been added, on section 6, bottom of page 2, added language that a simple majority of those voting. The franchise fee increase is expected to impact utility bill customers and property owners. If passed it would collect another \$120,000 per year, right now we are collecting about \$60,000 per year.

[5:37:42 PM](#) The 3<sup>rd</sup> ballot is a permanent tax increase, not a large tax increase \$38 per \$100,000 property tax valuation, and it can be used for both projects and maintenance. On page 89, show tax evaluations, per \$100,000 taxes are shown among all categories, Hailey, Blaine County School, Blaine County, Cemetery and Blaine County Recreation District. Dawson then shows a chart for the potential tax options.

Dawson mentions that there are provisions under the law where we can also talk with a franchise fee increase that does not require voter approval.

[5:40:16 PM](#) Mayor Haemmerle asking Dawson a few questions. What is the voting required to pay a 2-year levy? Dawson replied simple majority. Haemmerle, and the rationale for passing those in the past is that citizens were paying the \$48 for other levies all along, so owners wouldn't reflect an increase. Although, the 2 year levy ended last year? Dawson, responded, yes the \$48 per \$100,000 valuation of property is what funded Pathways for People, it replaced the Blaine County Recreation District's 2 year levy for paving the bike path. So, citizens were paying this increase for 4 years? Dawson, affirmed, correct. Haemmerle, our current Idaho Power, franchise fee collects 1% correct? Dawson, yes. And we can collect what maximum.

Dawson, a maximum of 3%. And requires a simple majority of voters. Haemmerle and does Idaho Power have to agree to it? Dawson, yes and they are present tonight to speak. Haemmerle, the Permanent tax increase would require what vote? Dawson, it requires 60% voter approval of ballots cast.

All 3 ballots are in packet? Dawson, yes, as well as a revised Idaho Power handed out tonight as discussed.

[5:42:55 PM](#) Burke asks a question on page 90, that a permanent levy vote would happen at a later date because a Capital Improvement Plan update would need to happen before voting. Could we put this on a November ballot or later? Dawson we could put it off until November or later date.

[5:43:49 PM](#) Haemmerle asks if council has questions on Pathways for People for Brian Yeager before public comment. Cooley affirms, yes.

[5:44:25 PM](#) Haemmerle feels this project is not yet complete. Yeager gives an update, we have completed 2<sup>nd</sup> Ave. and Croy street. The plan this year is to complete the Myrtle Street project. \$66,000 sidewalk maintenance, will be applying those funds this year also, throughout the town. In addition to these projects, Werthheimer trail is lowest priority, have not determined this project scope or cost yet, because we want to do Myrtle street project before we know if money will be left over. We received one bid on the Myrtle Street project which is over the engineer's estimate. Yeager is currently working with Idaho Materials and Construction (the bid we received) as to how to build this prior to the next school year. [5:48:09 PM](#) Yeager explains why bids are over estimates.

#### Public comments:

[5:48:42 PM](#) Bob Macleod Hailey resident, he attended last town hall meeting, discussing projects, and at end of that discussion Brian Yeager announced all city roads and maintenance needs. Macleod, if you have a good reason, voters will pass the bond, if you explain what it is for. Be careful to not do too many bonds too many times, may lose the big stuff. MacLeod suggests a 2-year levy in May, not sure enough time to tell citizens what it would be for. [5:50:26 PM](#) As to the Town Square, there is still disagreement on a location for the best spot. Macleod suggests a pop-up park this summer by the library, to see what people think about the location.

[5:51:34 PM](#) Martin Flannes Hailey resident speaks to council, and wants to propose funding priorities. Comments on the 3 funding methods as well as new funding methods. Complements to staff for the simple presentation for the funding options. The City should also consider the impacts of the various types of taxes and its user base. Consider the URA and street levy for projects too. On North River Street, the 2007 transportation master plan, it then became a URA project, the cost is \$8,000,000 per mile to build, where does the money go, this seems too expensive. Will river street remain 2-way street or will it be one-way? [5:53:45 PM](#) Flannes agrees with Macleod, town square location. [5:54:03 PM](#) Flannes discusses URA funding, and how it benefits the area nearest the improvements and the tax increases goes to the URA.

Flannes asks, don't have all city voters pay for a URA project. Flannes is confused why you are considering a levy when you have a URA funding source already in place. By 2020, the URA funding will be \$800,000. Get a 5 year loan, do River Street and pay back the loan with the URA funding when it comes in, no vote needed. [5:55:13 PM](#) As to the 2 year temp levy, it doesn't pay for maintenance, is it really what we need? As to the franchise fee, sales tax on electricity, it shifts the burden from property tax owners, to renters too. Is this fair or is it a regressive tax? Hailey doesn't have enough money to pay for everything, we need a permanent levy in place. Local Option Tax, we are becoming more of a tourist town, we should raise these rates and or add categories, but we must do this while we are below 10,000 population. [5:57:56 PM](#) Idaho Code allows for a street levy, with a 60% vote required. Flannes is advocating for an increase and offers explanation, most of the 3% increase over the years has been used for employee pay, well deserved, double than 10 years ago. Streets, [5:59:43 PM](#) 2007 transportation master plan \$300,000 / per year for maintenance, sidewalks, transportation plan, capital plan, \$1.7 million, most of it pushing it way out in the future. In Nov, Flannes suggests a \$500,000 per year street levy. The Hailey Greenway Master Plan [6:01:21 PM](#) identified 19 projects, flood mitigation and water quality, how will you fund these projects? Sustainability, Hailey used to be a leader in this category, pass a permanent levy to fund this category. Use the URA funds, adopt street levy, sustainability funding, flood projects, don't pass the 2 year levy.

Council deliberation:

[6:03:04 PM](#) Mayor Haemmerle, Pathways for People, we should show results, feels like we are starting more projects without finishing current ones. Feels proceeding with levy for town square, is a bit premature. It would be good to know if citizens care about infrastructure and then plan for maintenance and then have citizens back that. We should get further down the road on this project before going for another 2 year levy.

[6:05:26 PM](#) Burke, serves on URA, we need to partner with private parties to raise funding. Costs of construction is impacting the URA funds, we do have a grant for River street, but not anywhere near the amount we need. The financial means to support the city, will be a permanent levy someday. Can we pass a 2 year levy in May for a town square, remove river street right now? Burke likes MacLeod's idea of the pop up town square. Polling public, seems to be more appealing to them than fixing pot holes.

[6:08:40 PM](#) Cooley, Idaho Power franchise fee, equates to \$1 per month, not a large increase. Permanent levy, wait until we have vision set. If we can connect Werthheimer park to the bike path, great. Not a fan of permanent levy but may be the only way to raise funding. Not sure we should move forward with the 2 year levy.

[6:10:41 PM](#) Burke, would like to push another vote on LOT to increase categories or amounts before we go over 10,000 population. Health safety welfare.

[6:11:28 PM](#) Jeff Engelhardt against the permanent levy and 2 year levy, would like more broad funding sources, Idaho Power franchise fee increase, he likes but not enough funding. Elk river Minnesota, owns its own power plant, lots of small towns are struggling with this same problem.

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Renters do pay taxes, [6:13:40 PM](#). Engelhardt would like broad methods for funding. The town square project is not in final stage, would like to wait to take this to voters.

[6:14:37 PM](#) Mayor Haemmerle, has heard from some people, that we should pursue only necessary things. Haemmerle feels, we should do a little of both. A clear vision of a town square is forming, but not there yet. Pop up square is a really good idea to test the site. The city needs to do a little of both, a little excitement projects and necessary things. Haemmerle asks Yeager to talk about River Street. [6:16:30 PM](#) Yeager, River Street estimates are at a funding of 2.1 million , we are in the concept development phase, which cost estimate is at \$184,000, at that point in time we can choose to move forward with project, figure out funding or choose nothing. On the project, our current estimates are at 4.3 million right now, unfunded is 2.1 million dollars. One of the things we are trying to do is go for a BUILD grant to secure more funds. Continue with our Transportation Master Plan update to help secure better chance for the BUILD grant. Haemmerle adds, some projects we pursue are driven by grants received, we like to do these projects. This is smart. We have one the best grant writers around. A lot of our decisions hinge on this.

Haemmerle continues, many of our projects are funded by grants and gifts. For example, Hop Porter Park is being upgraded thanks to a gift from Seagraves Foundation.

[6:20:24 PM](#) Cooley would like to hear comment from Idaho Power.

Mayor Haemmerle opens up public comment for Idaho Power topic.

[6:20:33 PM](#) Dan Olmstead with Idaho Power with Rhonda in our Hailey office. Our current franchise agreement expires in 2020, a that time it may be a good time to discuss increases in percentages. They have no objection to take to voters now. They would like to see a cancellation the current agreement, draft a new agreement and adoption of an ordinance and resolution, and take it to voters. They have no objections to projects discussed. Olmstead will take questions council may have.

[6:21:59 PM](#) Martin Flannes, if Hailey is looking to maximize funding they should go for 3% franchise fee. Flannes doesn't think you have to do a new agreement.

[6:22:48 PM](#) **Cooley moves to approve Resolution 2019-027 calling for a special election on a proposed 3% franchise fee at a May 21<sup>st</sup> election. Cooley, yes. Burke, yes. Engelhardt, yes.**

[6:24:09 PM](#) Burke, don't walk away from the town square idea, do a pop up square this summer. Burke is in favor of one topic for vote at a time.

Simms announces that no executive session is needed tonight

### **STAFF REPORTS:**

[6:25:33 PM](#) Brian Yeager discusses drainage projects along War Eagle Drive continuing to trench along the west side towards the River, along the tennis courts, leaving access for a grader. Will have larger rock placed to resist eroding (large cobblestone). We have well pump station to the south, we need clearance to this site as well. Yeager has been working on another design east of Heagle Park, a culvert crossing under the street to connect to the swale that was created 2 years ago, cost estimate is \$60,000, will likely have the mayor sign and ratify at a later meeting, this contractor needs all the time possible. Red Elephant culvert hope to have in place also, before flooding this year. Another contract with 2 landscape [6:29:40 PM](#) architects for \$14,000 fee, on town square proposed designs would like the mayor to sign and bring to council for ratification as well. Capital Improvement Plan, anticipated cost of \$18,000, on track with this estimate.

[6:30:28 PM](#) Dawson received a press release today from Blaine County and Clear Creek Disposal regarding recycling only newspaper and office paper starting April 1<sup>st</sup>, curbside pickup and drop off.

[6:31:09 PM](#) Simms, August 24<sup>th</sup>, a special event revamped folk festival, look for this on an upcoming agenda.

[6:31:44 PM](#) Aberbach, Hailey is partnering with other entities April 4, for a flood public meeting at community campus at 7 pm.

[6:32:09 PM](#) With no further business **Burke moves to adjourn, Cooley seconds, motion passed unanimously.**

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Fritz X. Haemmerle, Mayor

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Mary Cone, City Clerk