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Hailey City Council Calls Special Election for May 21, 2019

Ballot Asks Voters to Consider Electric Utility Franchise Fee Increase

(Hailey, Idaho) – The Hailey City Council voted to call a special election for Tuesday, May 21, 2019 in the City of Hailey. The purpose of the election is to put a revenue expansion question before voters about whether or not to increase electric utility franchise fees within the City of Hailey.

Currently set at 1%, the Idaho Power Franchise Fee brings in approximately \$60,000 to the City of Hailey each year. The ballot question will ask: “Shall the Idaho Power Franchise Fee be increased from one percent (1%) to three percent (3) for the purpose of maintenance and improvements to critical infrastructure and public streets, rights-of-way, sidewalks, bike-pedestrian infrastructure and other streetscape components within Hailey?” The increase, if approved by voters, would expand the electric utility franchise fee to \$180,000 per year.

The Hailey City Council has sought to diversify its revenue from various sources, in order to keep property taxes as low as possible and still deliver necessary city services and high quality of life within Hailey. Only 37% of the City’s annual general and capital revenue currently comes from property tax. Hailey’s general property tax revenue is just over \$2.5 million per year. Hailey’s current franchise fee revenue is approximately \$290,000 per year, collected from rate payers using four different utility companies including cable, electricity, natural gas and rubbish. The electric utility franchise fee increase, if approved, would cost Idaho Power customers within the city limits of Hailey an additional \$2 per month over the \$1 per month they currently pay on their \$100 per month electricity bill.

The notice of election and ballot will briefly explain the purpose of the funds: “The purpose for which the franchise fee shall be used is to pay the lawful expenses to repair, maintain and improve critical infrastructure and public streets, rights-of-way, sidewalks, bike-pedestrian infrastructure and other streetscape components within Hailey.” The City of Hailey identified in a recent survey that the largest area of interest for the 218 people completing the survey is additional maintenance of city infrastructure. Although the Hailey City Council had other ballot measures before them for consideration that would have expanded funding for new projects, they chose to seek infrastructure maintenance funding before new project funding, and a franchise fee increase instead of a property tax increase.

The City assigned \$100,000 to sidewalk maintenance within Hailey a few years ago. As unsafe areas of Old Hailey sidewalks have been replaced, improved and made passable, the demand from the public for continued sidewalk improvements have increased at Hailey City Hall. The City also launched an alley improvement project several years ago, and continuing the maintenance of alleys within the City



would be funded through these franchise fees. In 2017, with the city's resources being spent on snow removal and flooding, the summer chip sealing of city streets was deferred to a later year, as there were insufficient funds remaining for necessary street maintenance. This year, with wet roads freezing and thawing frequently throughout the winter, pothole repair and replacement of some street sections have become necessary.

Hailey Public Works Director explained during a recent meeting that the City's newest snowplows are 1998 trucks with manual transmission. This equipment, over 20 years old, is the best of the regularly used 4 snow-plow fleet, the other two being 1993 trucks. Larger, more efficient wings can not be used on these older plows, because hydraulically operated wings require automatic transmissions, allowing the driver to use a hand to operate the wing rather than the gears. These are just a few examples of some of the maintenance, equipment and infrastructure challenges involved in caring for Hailey's 53.1 miles of streets.

In addition to improvements within the city's rights of way, the ballot also allows the funds to be used to repair, maintain and improve critical infrastructure within the City of Hailey. Critical infrastructure includes the network of facilities, operational systems, utilities and transportation components that are required for continuity of government and normalcy in daily life within the City of Hailey.

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