

**MINUTES OF THE SPECIAL MEETING OF THE  
HAILEY CITY COUNCIL  
HELD THURSDAY, DECEMBER 4, 2008  
IN THE HAILEY TOWN CENTER MEETING ROOM**

The special meeting of the Hailey City Council was called to order at 4:04 P.M. by Mayor Rick Davis. Present were Council members Martha Burke, Don Keirn, Carol Brown and Fritz Haemmerle. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson.

Discussion of Relocation Airport Governance

Rick Baird, Airport Manager presented a power point presentation. He presented the question of who will be the sponsor of the replacement airport.

Baird explained that currently all revenues gained by airports stay with the airport. The city gets reimbursed for security. Friedman pays for city water, sewer and police to the city of Hailey.

Carol Brown questioned the taxi services. Barry Lubovisky, Airport Authority Attorney, explained that the taxi service is a service in the city, not in the airport. Lubovisky said that it is not unusual for an airport to not run in the black. Friedman runs in the black. If you accept federal funds there is a list of services that obligate you for 20 years.

Fritz Haemmerle questioned who would be paying the remaining 20 million that will be needed to build the new airport. Baird said that the Airport operational funds will handle the difference. If the airport couldn't pay the sponsor would have to pay. Brown asked if the city and county were co sponsors and the airport is in the red, would it be double taxation to the City of Hailey residents. Lubovisky explained that it is always a matter of agreement. There currently is not an agreement.

Brown would like the whole thing mapped out. She is trying to figure out the difference between where we are now and becoming a sponsor. Baird said Brown was correct in her line of thought. Baird is looking at a lot of things to be sure operational revenue exceeds operational expenses.

Haemmerle asked what happens once you become a sponsor. Can you ever get out of it? Baird replied that you could talk to the FAA, stop receiving federal money and get out of the sponsorship in 20 years by closing the airport.

Len Harlig, PIO for Friedman Memorial said that one of the reasons the airport stays in the black is because they receive entitlement funds and funds from the FAA to keep the airport up and running. They couldn't do it with out those funds. The FAA does not care who has sponsorship as long as it has sponsorship. At the time the airport moves, the county will be the sole sponsor if Hailey does not want to be involved.

Haemmerle asked if we decide not to sponsor are we going to be responsible for the assurance of the replacement airport. Lubovisky said not as long as the new sponsor can fulfill the obligations. Haemmerle asked if we choose not to be sponsors are we still involved in the governing of the airport. Lubovisky said that we wouldn't want to change anything if it works.

Brown asked about transitional time. Lubovisky talked about reserving rights of power if Friedman closes today and the newly located airport starts tomorrow.

Susan McBryant explained that the county is making a transition plan and that is why we are here. We need to make a decision as to if we want to sponsor the relocation of the airport so the airport authority can make the transition plan with the county or with both of us. Haemmerle asked what the county is expecting. Lubovisky replied that the authority operates Friedman Memorial. He said that Tom Bowman, County Commissioner would like to put a committee together to decide how to proceed. The authority thinks that in 15 to 18 months they will be in the planning stage of the airport. They will need the city's decision by then so they know who will be involved in those decisions.

Don Keirn asked, since it's a replacement airport can the current authority wear two hats and do a dual role. Lubovisky said yes.

Len Harlig said that until Friedman transfers to a new location it has to continue to operate under current sponsorship. He does not think Hailey would want to give up their role during this time. If the county is the sole sponsor while it is still in Hailey we would have no say in what is happening. Lubovisky said that was not even in the decision.

McBryant suggested offering sponsorship for 3 or 6 months after the new airport opens to help mentor the county. You also have the option to cut it off the day the new airport opens.

Mayor, Rick Davis said that if we decide to be a sponsor, he agrees with Carol Brown. He is concerned that tax payers would be paying twice if the airport gets in the red. Burke thinks if the authority stays in place it is their responsibility to keep the airport in the black. Burke advised unless some other community wants to take this we need to work with the county. Ned Williamson, City Attorney and the County attorney would need to work through this.

The Mayor thinks we can talk to other community's who have a replacement airport. McBryant pointed out that there aren't many. She only knows of three.

Brown is not interested in being a sponsor. She is interested in a transitional plan because our economy depends on that airport. Haemmerle asked if we weren't happy with the plan would we want to be a sponsor. Brown reiterated no. She just wants to be sure the transition is done well.

The Mayor would like this topic put on the council agenda for public hearing on December 22<sup>nd</sup>. Williamson said he could not be present but is comfortable with council going forward. Haemmerle thinks the noticing needs to be more than what we currently do. Burke reiterated that this presentation should be put before the public.

Heather Dawson, City Administrator explained that city staff is in phase II work. The current site was reviewed by Landrum & Brown. Staff has been working with Baird to plan what can be done with land after the airport is relocated. McBryant questioned what exactly is being discussed. Dawson explained that were going to look at the property that is Friedman now, and what is going to happen at the existing site. Baird said that Landrum & Brown will be working with staff to be sure we are working with EIS. Mayor Davis wants to know what is going to happen to the City of Hailey when the airport leaves.

Len Harlig said that you need to think about the totality of the airport in two parts. There are two components. Brown said that the citizens need to be assured that nothing has been decided. This is being done for study reasons only.

Haemmerle questioned Lubovisky regarding liability from a lawsuit, or a disaster. He wanted to know who is responsible if the authority can't afford it. Lubovisky said the sponsor is responsible.

McBryant would like to be kept abreast of any plans the city makes for the current airport. Mayor Davis agreed to do that. McBryant said there is good reason to have zoning in place. Burke explained that there are some members of the community who would like the airport to continue working to some extent. Burke said that we need to reiterate as a council that we do not want an airport there. We do not want to be a sponsor. Fritz said that everything is in the Comprehensive Plan.

Dawson stated that in the master planning effort we are talking about an 18 month to 2 year timeline. McBryant suggested Mayor Davis call Bowman to let him know that this conversation has taken place.

The meeting will be held on January 12, 2008 at a regularly scheduled meeting.

Len Harlig informed council that there will be a Blaine Regional Leadership meeting on December 10<sup>th</sup>. At that meeting a committee will be formed to assist the airport authority in the transition.

### **EXECUTIVE SESSION**

**Re: Pending & Imminently Likely Litigation (IC 67-2345.f/j)**

**Brown moved to go into executive session at 5:15pm. Burke seconded; motion carried unanimously.**

Staff came out of executive session at 5:30pm. No decisions were made.