

**MINUTES OF THE REGULAR MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, FEBRUARY 27, 2006
IN THE HAILEY TOWN CENTER MEETING ROOM**

The regular meeting of the Hailey City Council was called to order at 5:30 p.m. by Mayor Susan McBryant. Present were Council members Rick Davis, Martha Burke, Don Keirn, and Carol Brown. Staff present included City Attorney Ned Williamson and City Clerk Heather Dawson.

EXECUTIVE SESSION

Davis moved that the council go into executive session to discuss land acquisition. Burke seconded; a roll call vote showed all in favor. The council went into executive session at 5:32 p.m., and emerged following a motion, second, and roll call vote, at 5:55 p.m.

MATTERS FOLLOWING EXECUTIVE SESSION

Mayor McBryant announced that she would hold a special meeting of the city council on Thursday, March 2, at 8:00 a.m., to discuss an exchange of real property, Parcels B & F in Plat 5 of Central Woodside, for property on North River Street, to connect the north end of River Street to the south end of River Street. This has been a primary goal of hers for the purpose of making River Street a true business road acting as a connector. The purpose of that meeting will be to discuss that exchange.

CONSENT AGENDA

Burke moved to approve the consent agenda as presented, with the exception of CA 69. Keirn seconded; the motion carried unanimously.

- CA 62 Motion to approve Summary of Ordinance 934, amending Zoning Ordinance, adding Hillside Overlay District, for publication
- CA 63 Motion to approve Summary of Ordinance 935, amending Subdivision Ordinance, regarding Overlay Districts, for publication
- CA 64 Motion to approve Findings of Fact, Conclusions of Law and Decision for Winterhaven Condominiums Phase 2, Final Plat
- CA 65 Motion to approve Findings of Fact, Conclusions of Law and Decision for amended Plats for Parcels B and F in Plat 5 and Parcel O in Plat 15 of Woodside Subdivision, Final Plat, and vacation of blanket public utility and drainage easements
- CA 66 Motion to approve execution of Resolution authorizing Joint Jurisdictional Comment on the Highway 75 Draft Environmental Impact Statement
- CA 67 Motion to approve claims for expenses incurred during January, 2006
- CA 68 Motion to approve minutes of the January 17, 2006 City Council meeting and to suspend reading of them

~~CA 69~~ — ~~Motion to approve minutes of the January 23, 2006 City Council meeting and to suspend reading of them~~

CA 69 **JANUARY 23, 2006 MINUTES** Brown clarified that she had arrived at 5:30, just in time for the consent agenda, and had not been present during the executive session. She also asked that the first names of Carol Brown and Steve Brown be identified during any Cutters project discussions. Davis moved to approve the minutes of January 23, 2006 as amended. Keirn seconded; the motion carried unanimously.

OB 70 **3rd READING ORDINANCE 934 – HILLSIDE OVERLAY (ZONING)**
Davis moved to adopt Ordinance 934, to read the third and final reading by title only. Following a query from someone in the room, the mayor noted the matter is not now open for public comment. Burke seconded; the motion carried unanimously.

OB 71 **3rd READING ORDINANCE 935 – HILLSIDE OVERLAY (SUBDIVISION)**

Burke moved to adopt Ordinance 935, read the third reading by title only, and authorize the mayor to sign. Brown seconded; the motion carried unanimously.

OB 72 **3rd READING ORDINANCE 936 – FEES**

Davis moved to authorize the third reading of Ordinance 936 by title only. Keirn seconded; the motion carried unanimously.

PH 73 **OLD CUTTERS ANNEXATION**

Davis recused himself from any further discussion on this application. Carol Brown said she received 2 letters by email, and distributed those for the record.

Williamson said following the last meeting, Speck took on the task of drafting the agreement, submitted late in the week. Williamson reviewed it over the weekend. A proposed ordinance and findings of fact are in the packet. The Council is charged with the task of deciding whether to annex the property, and if so, should adopt an ordinance defining the limits of the property and setting the zone. He distributed a colored map of the area to be annexed, showing Limited Residential and General Residential zoning. If the council decides not to annex, it should outline the reasons why. He recommended against approving the annexation agreement tonight because of the changes that have occurred in the drafts over the weekend. He wanted the language to state that the annexation fee is an annexation fee only, and should not be connected in any way with any other fee, and subsequent development should not be entitled to any other credits because of the annexation fee. He wanted to include some other types of remedies in the annexation agreement. The draft talks about an obligation of the city to amend ordinances to allow for stand-alone townhome developments, but it is not the place to say that we will or can do that in an annexation agreement.

Carol Brown asked if the community housing in the annexation agreement is restricted to people working in the valley. Williamson said he recommended some changes under 2-B, at the most we can say that the applicant would propose 13 units, 7 income restricted, the others restricted by some other method. Williamson said we need to review that issue independently from the annexation agreement.

Carol Brown asked for clarification on the area called "Park" and that denoted as "expansion". Williamson said the expansion part is directly to the north.

McBryant didn't understand the purpose of the credit to people buying and building within 2 years, saying the city wouldn't track that, and what value is that to the city to have it called out in our agreement. Williamson said arguably that would speed up the sales, and make the 55% sales mark more easily achieved. He himself didn't think it would make much difference.

Jim Speck said he had just received Williamson's suggested changes. He said the \$5700 per lot fee is calculated on the basis of water and wastewater future capital improvements. When the city charged Old Cutters with going out and hiring experts to say this project would not cost money, Cutters did that, and went through a number of iterations of reports. The first one, in October of 2005, says water and sewer capital assets are not included in this analyses, and are more appropriate for the development impact fee, and needs to be included in that upcoming study. When the city revised the report with Management Partners, they changed that language, and said those costs are appropriate as future capital and should be included in that section. He had proposed a payment schedule that had \$5007 per lot to be paid at the time properties hooked up to water and sewer. The Council has discussed getting that payment in a different manner. Cutters is now being asked to sign some language that says if the city adopts a development impact fee ordinance, and that ordinance has some of these same components, the puller of the building permit fee may be subject to the same fee again. The property will have been charged for the same thing twice, and we don't think that is fair. He has agreed to pay another 2 million dollars on top of the Management Partners fee. This is a sizeable component of that fee. The calculated figure became a price of admission to the city. For this piece of property, we will already have paid for some of that, and we don't think it is fair that we have to pay for that again.

Mayor McBryant opened the matter for public hearing. Mike Gillman of 235 West Walnut Street said he has watched how the developers have done, to the fullest extent, what the city has asked. Buyers of the lots will be paying twice, and that doesn't make sense.

Jim Philips of Quigley Road addressed remarks to sections related to Hiawatha canal and park areas. The Hiawatha canal and other ditch easements are shown much narrower than they are. The high ditch contributes to one of the real attributes of the property, its vegetation and wildlife corridor. That vegetation will need water, and should be provided, if not by the developer, then by the city. There is no provision for that made in the agreement. The city has 150 inches of water in the Hiawatha Canal, but that water may have come from Woodside, and he wasn't sure that water would withstand any challenges during the Snake River adjudication. He wanted an opinion rendered on that before the city takes that into its consideration. The high ditch needs to be maintained for its down canal water users. Heretofore it's been pretty easy for us to maintain that ditch. It makes sense to come up with an agreed upon maintenance plan. .

Leah Johnson, of South Hiawatha, asked if the public has access to this agreement. She asked if any notices have been sent out for the last two meetings. Will there be a meeting where there is comment from the public on this agreement? She said you have to be following this to get all the details, and these meetings aren't being noticed to the surrounding property owners.

Written comments were rendered from Jed Sidwell, saying that the developers were continually changing their density and layout, and have now won their request by way of attrition, as we all became weary. The increase in total units and decrease in lot sizes is the result, and how is it that cottage houses are not tied to funding formula.

Written communication also was rendered from Leah Johnson, stating that if annexed there needs to be a turn lane onto south Hiawatha. The access road to Cutters should be appropriate for the density increase.

Mayor McBryant closed the public hearing. She said that the developer didn't have to get the study, that was a choice they made because they wanted to be annexed. She was very uncomfortable with trying to tie an annexation fee to other future fees. She understands the applicant's position, but is not of the mind to accept that. There are other reasons to come into the city than simply the cost of infrastructure. She was not comfortable changing any of the language so that the annexation fee is construed to be part of any other fee. She didn't support drafting ordinances that are retroactive to any parcel of land. She was uncomfortable giving some sort of privilege against participation in future ordinances.

Keirn said the fees will cover a lot of costs over and above water and sewer, and he couldn't support any change.

Carol Brown asked if the correct water right-of-way is shown, and is the area of the map accurate as well. That is a concern she has now. Williamson said the area that is used for maintenance of the ditch has a statutory easement that covers the ditch to allow reasonable access. He was not sure how those easements shown on the site plan relates to prior use.

Carol Brown said although the community housing language isn't tight enough, she will buy into Williamson's comments that this isn't the right time to address it. She said she would like to have combined, upon exhibit 2, the two areas and call it the park. On page 5, she can agree to process the townhouse definition, looking at townhouses and stand alone cottages. Carol Brown said McBryant summarized well that the price of admission is not based on a hookup fee; that's what it costs to get into the city.

Burke said she would add the language that there is no credit; it's an annexation fee, and there will be impact fees for this and other proposed developments. She said she was not prepared to look at the water in the canal, a corridor for all kinds of creatures. She would be very interested to learn how that works.

McBryant said we need some sort of methodology to assure that watering the vegetation along the canal will occur. She lived for many years along a canal in south Hailey where the water had

been diverted, and all the vegetation died. The value to the new landowners will be diminished if the vegetation dies. New language needs to assure that condition will occur. She suggested this should be sent back for a rewrite specific to the point made, including that people eligible for community housing be unable to own property anywhere, not just in the Wood River Valley.

Speck said the park size has been recalculated at 4.65 acres, but is now a 5 acre park. Carol Brown said if the developer is going to have bulldozers out there, it would be better to improve the entire 5 acres.

Keirn moved to continue the Cutters Annexation matter to March 13, 2005. Brown seconded; the motion carried unanimously.

PH 74 HILLSIDE OVERLAY DISTRICT

Planning Director Kathy Grotto introduced a companion ordinance to the hillside overlay, a map amendment to set out the boundaries of the hillside overlay district. A new zoning ordinance was displayed that showed the new 15% slope line, and future zoning maps, that would be changed to Hillside Overlay District, with a new legend. Included are references to the comprehensive plan that will assist the council in making findings.

The mayor opened the public hearing; there was no public comment.

Keirn moved that the council adopt ordinance 937, with conditions enumerated in the staff report, read by title reading, and waive the three readings. Brown seconded; the motion carried unanimously.

NB 75 DISCUSSION OF EMPLOYING A CITY ADMINISTRATOR

McBryant said she had asked the clerk to put this matter on the agenda. She and the council had previously discussed the benefits of moving to a manager/council form of government. During their goal setting session, Keirn and Brown endorsed what Burke had brought up, pursuing a city administrator. She said the purpose of this discussion is to identify the benefits we are trying to achieve, or the voids we are trying to fill.

She said if you have a working administrator, that would to a certain degree relieve some workload off departments, but an administrator should not be a master of so many trades. An administrator needs to understand risk at all levels, from safety elements in lifting and carrying, to filling out paperwork, employment issues, contracts, and follow-through. An administrator who has a good working understanding of risk, and knows where to go to find that, would polish off an area where we need currently some support. Our costs of climbing out of quagmires into which we've gotten because we didn't understand the risk would be reduced. If we had a city administrator that understood the culture of the Wood River Valley, s/he could add a dynamic element in assisting us on state legislative issues. The administrator would be the face of the city in front of elected legislators. When you've been able to give full faith and trust, and that person can say I represent the mayor and city, that can be very effective with state elected officials. She

was also interested in assuring in an ongoing manner that important issues don't get away from us. She felt it was a great idea.

Brown said she would want a working administrator, one who could provide relief to the council and mayor, a person who has the big picture of our goals and projects, and will herd them along. An administrator should help us be more effective in our regional processes within the entire Wood River Valley. She would want the administrator to have overall big-picture manager skills, and if s/he didn't come with past municipal skills, we would need to commit to training that element within the first year. She preferred to search Idaho wide, and said we would need to properly budget for this; we don't need to do this next week. Identifying where the budget dollars would come from is important.

Davis said he went to Ketchum City Hall and pulled the job description, and identified four duties he felt were the most important. Two years ago we had a budget setting facilitated meeting, and the entire council said we need to get our life back. We all spend a tremendous amount of time attending meetings, and an administrator could weed these meetings out a little bit. We need someone to be a lead person, to ensure ordinances and policies are executed, maintains relationships, administers federal and state projects, or write grants, and perform other duties as assigned. As he has been talking to people about local option tax, he is told we need a city administrator, not a new form of government, but a trained manager.

Keirn said he had gotten the same document, and during his election campaign he had said during an interview that we need a city administrator. Rather than working our mayor until she drops, an administrator would take off some of the administrative load of the mayor and council. The main thing is to hire someone that's very good.

Burke said needs she had identified included human resources, public relation skills, an ability to educate, meet the public, instigate economic development, and draw in other departments that aren't always here such as the library and parks. We should make sure that this administrator has the ability to attend other city board meetings. The continuity that one individual provides this community and our staff is irreplaceable. A good administrator will provide that continuity, and will train newly elected officials, and can attend county or regional meetings. She wants to be able to choose when to hire and fire an administrator, how much we pay, and how long to maintain this position. If we change to another form of government, that choice goes away. She would not allow us to lose any one employee from the city because we are mandated to pay someone we can't afford. We can budget to make this hire, pull out the job descriptions, start looking in Idaho, because we don't want to train out of state people. There are plenty of people in this community with this skill set.

Keirn said city administrators don't necessarily have to have a municipal background. Brown said if they don't have that, we need to make sure they are trained. Keirn said one of the best managers in the City of Boise was retired NATO, asked the city attorney for advice relative to municipal law.

Davis said he had been in contact with a consultant who emphasized the importance of a good fit, which we may not have had in the past. This consultant would put the applicants through a

behavioral class situation, to ascertain how they react under certain pressures. This consultant would evaluate at arms length of someone local, who we all know personally, applies. The final hiring decision would be the mayors. He wanted to know if he should continue down this road, and come back with a proposal.

McBryant said does herd the mayor and council's goals, and nudges staff along, and an administrator would need to be sensitive to dates identified in our goals. We need someone who doesn't let it slide, or who can help prioritize. Another quality is to seek out and write both federal and state grants, assist the mayor with draft budgets, represent the mayor, assist in regional governmental processes, human resources and public relations. The best reason to be doing this, is that it's not urgent right now. That's when to make the change, not in a time of crisis. It would be very sad if our criteria said our administrator had to have been a city administrator somewhere else. An example would be Jim Lewis, current manager over all the schools, who understand risks and budgets, is already familiar with the community, and already has housing. She sees us having the opportunity to engage someone who would be excited to be involved. Brown was open to that, but said we know how long it took us to get up to speed on city matters. She really wanted to acknowledge that an administrator would bring fabulous managerial skills, but the city would have to support him in his lack of city knowledge.

The council supported moving forward in this vein.

BLAINE COUNTY 2025 COMMENT LETTER

Dawson said she had included in the council packet, for informational purposes, the final letter that was sent to Blaine County commenting on the 2025 program.

WOOD RIVER VALLEY WATERSHED PRESENTATION

Wendy Pabich and Dr Lee Brown were present to explain their USGS water study, and to ask the city council to participate in funding a consolidated data base with information from former studies. Pabich said the consultants independently came to the same conclusion that there is not enough scientific data, and although numerous studies have been done, some questions need to be answered if appropriate planning tools can be used to address issues. The three consultants also included Bruce Lium. They went to the USGS a year and a half ago, and the county came up with \$20,000 to cull through these studies. The purpose of this study would be to insure high quality drinking water, adequate water supply to maintain multiple uses. Ray Hyde has been heavily involved in a 20 member steering committee who have participated in a variety of meetings which have been held. Mostly we are concerned about water quality, but there are a lot of water quantity questions that need to be addressed. Some of the benefits of this study would be that we will be able to document current conditions in the ground water, to establish a base line from which to measure changes in the future, and to help produce a water budget that would be used in ground water monitoring. Water quality monitoring would allow us to create educational programs. The work would benefit Hailey by providing information which could be used by city managers to evaluate development in the side canyons as well as annexation questions.

Lee Brown said work that he had done in Telluride armed the citizens to make good environmental decisions. He said despite his expertise, he is unable to get information from the data that exists. USGS has given us a \$50,000 advance to get going on this.

Pabich said that USGS has indicated the project will cost \$750,000 over 5 years, the county's share will be \$210,000, and each entity has contributed \$50,000 and \$25,000. USGS has challenged a match to their \$50,000. Sun Valley water and sewer committed \$4500. The consultants would like to ask \$10,000 from the City of Hailey for this project.

Brown said there are four phases to the project, and he needs \$150,000 to do Phase 1, will help in the future with federal funds. He has raised \$35,000 already in the valley, and needs to hit \$50,000. McBryant said this is a substantial request, appropriate for Hyde to draft a memo relative to the project. Pabich said she is hoping for local funds in the beginning, and later get grants for the remainder of the study. Brown asked if the study would take into consideration our wellhead protection plans. Lee Brown said it's not another study, it's an effort to link the existing studies. He is trying to get a watershed wide grasp at what's going on from Titus Lake to Stanton to Picabo. Mayor said she would put this on New Business at our next meeting, and would look for a memo from Ray Hyde in our packet.

WORKSHOP

Grotto said she prepared a press release, advising the public about our process regarding the townsite overlay, planning 2 public workshops, use a visual survey method to get at primary issues, asking public to submit photos. The first public workshop will be on April 11 or 12. Will be an evening public workshop. Another one will be held in May, move forward to public hearings in the summer at commission, come to council in early autumn.

Development impact fee committee - Mayor McBryant asked the council to think of who would be good on this commission. Davis offered that the historic preservation commission has 2 realtors and a developer, and he would query them as to their interest.

Davis said will be going to a meeting Wednesday for the Wood River Trail focus group, and distributed the minutes from the last meeting. Historic commission meets tomorrow night.

Keirn said he attended another E911 meeting. The housing authority board resigned. Brown and he attended another disaster meeting, learned what a disaster is, and the steps to go through. They will be having some follow up meetings. There's a pandemic meeting down at CSI, will be on the 10th of March.

Brown said the next KART meeting will be March 15; she will see if Tom Hellen will attend. Bellevue signed onto the joint agreement. John Soffro approached her to ask if sign ordinance will be updated. He would be happy to submit an amendment on his own.

OPEN SESSION

Al Lindley said the city manager job description in Idaho Code 50-811 describes the duties of city manager. He will be addressing the misconceptions state tonight, and is finalizing the petition to institute a council/manager form of government in Hailey, and will be circulating it.

There being no further comment, the Mayor adjourned the meeting at 8:10 p.m.

Susan McBryant, Mayor

Heather Dawson, City Clerk