

**MINUTES OF THE REGULAR MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, FEBRUARY 26, 2007
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, City Administrator Jim Spinelli, and City Clerk Heather Dawson.

MAYOR'S REMARKS

Mayor McBryant said that representatives from the Wood River Valley would be traveling to Denver with Fly Sun Valley Alliance to meet with a delegation relative to direct flights to Hailey from Denver. Martha Burke will be attending as a representative of the Friedman Memorial Airport Authority. McBryant had asked Rick Davis to attend on her behalf as the City of Hailey's representative, as she herself could not attend.

APPOINTMENTS

Brown moved to appoint Tom Downey to the Hailey Parks and Lands Board. Keirn seconded; the motion carried unanimously.

CONSENT AGENDA:

After two items were removed from the consent agenda, the remainder of the consent agenda was approved as presented in a motion made by Keirn and seconded by Burke.

- CA 72 Motion to approve Special Events Permit for Hailey Chamber of Commerce Springfest during the Memorial Day Weekend, May 25-27, 2007, planned at McKercher Park with estimated 1000 attendees
- ~~CA 73 Motion to approve Special Events Permits for Hailey Main Street Antique Fair for 8 days during the July 4th Weekend and Labor Day weekend, on private property on North Main Street, with an estimated 800 attendees~~
- CA 74 Motion to approve Special Events Permits for Northern Rockies Folk Festival planned at Hailey Park on August 2 through 5, 2007 with estimated 4000 attendees
- CA 75 Motion to approve minutes of Jan 30, 2007 City Council Meeting and to suspend reading of them
- ~~CA 76 Motion to approve minutes of Feb 12, 2007 City Council Meeting and to suspend reading of them~~
- CA 77 Motion to approve claims for expenses incurred during January, 2007
- CA 78 Motion to approve treasurer's cash report for month of January, 2007
- CA 79 Motion to authorize 2006 Flex Benefit Plan amendment to extend time period for benefits reimbursement from the end of the plan year of March 31, 2007 through June 15, 2007, as allowed under new IRS regulations

CA 73 Special Events Permit for Hailey Main Street Antique Market

Brown noted that in previous years, this event had encroached upon the sidewalk, making pedestrian traffic along Highway 75 exceedingly dangerous. She added as a condition of approval that the sidewalk be kept clear of vendors, booths, and any other obstruction to

pedestrian use. She moved to approve the special event permit with that added condition. Burke seconded; the motion carried unanimously.

CA 76 Minutes of February 12, 2007

Burke abstained from approval of the minutes of Feb 12. Brown amended the minutes by replacing the word “badly” with “fervently”. Davis added Dick Meyer to list of HHPC appointees. Davis added Bullion Street to streets impacted by county development. Keirn moved to approve as the minutes of February 12, 2007 as amended. Brown seconded; the motion carried unanimously.

PH 80 WATER GULCH ZONING MAP

Bob Dryer, representing the applicant for hillside overlay amendment to water gulch, said he had met with planning staff in early 2005 for a pre-application review. At that time there was no hillside overlay. From that meeting he submitted all the materials we thought were required. A letter was needed from Fish and Game prior to certification of completeness, and then the city went into moratorium. 11 months later in 2006, we received certification of completeness from the planning staff. At that time, some of the property wasn't in the city limits yet, which was over the 15% grade. The existing grade through the valley is at 8%. Although the former owner Dennis Peron had graded some of the slope, the 15% slope line rises far above the valley floor. He displayed a scaled rendition of that magnified by two and a half times. Ken Dreyer said the commission recommended denial, finding the application was not in conformance with the Hailey Comprehensive Plan. Hillside overlay district is based on a 15% slope line. Overlay districts are to address special areas of concern. Does the 15% slope line objectively delineate the overlay area? He said it does not. If the council will accept the slope line amendment, the other compatibility issues become mute points. He asked the council to approve the hillside overlay amendment. Keirn asked why does the applicant want out of the hillside overlay district. Dreyer said they want to build one home there. McBryant asked why not build that home in the county? Dreyer said it is because city services would be used without paying city taxes. The goal is to build a home tucked into the slope, not visible from the highway. The city has a different interpretation of where a house can be built.

Grotto said the commission recommended denial on January 29, 2007. The applicant then asked for application for annexation be tabled until the city council makes a final decision on this issue. The interpretation of the commission was based on county purpose section, not meant to exclude a narrow valley. Williamson said the hillside overlay district falls on boundary line which equals or exceeds 15%, the line represents the toe of the hill along Woodside. The discretion is broad here. Brown asked if a residence could be built under our hillside ordinance. Grotto said they could build a 28 foot maximum height building, and no building dimension could exceed 75 feet. Uses are limited to one single family home and garage. The hillside boundary would take a narrow dive, and the boundary does go through Rinker's lot, which has always been in the city but was recently zoned. If their property is annexed, the hillside overlay would apply to that property.

The mayor opened the public hearing. There was no public hearing.

Brown said she favored the hillside ordinance because of the property above the contour slope line. She supported the findings of fact she read from the commission. Burke concurred, because the language states generally, the large intent is the 15% slope line. Keirn said we can build a house under the regulations, which takes this into the no-brainer category. If we change this, every little flat spot would be vulnerable. He concurred with the commission's recommendation. Davis said something needs to explain the term "generally" for applicants. McBryant said people try to find ways in which ordinance doesn't apply to them. This represents a terrible loopy boundary line if annexed, and she said the impact is utterly minor, and she didn't know when we are going to stop making the city available to people who find the county too challenging. **Brown moved to uphold the commission's recommendation for denial, citing findings of fact of the commission.** Keirn seconded; the motion carried unanimously.

PH 81 WATER METERING ORDINANCE AMENDMENT

Hellen said at the last meeting he had previewed the issues of this ordinance amendment, and has brought it back for questions and public hearing at this time. The ordinance changes the first point of billing from the time a property is issued a connection permit to the time the property first requests water service. Property owners would continue paying the bond payment once the service is first turned on, even if it is turned off again later. Chris Grathwold of River Street in Hailey said his house has a 2 inch meter, and he pled that the house can be grandfathered in, because the use is still only 7000 gallons per month, and the difference in prices affixed to the meter size is intense. The house has a fire suppression system, and if downsized to a smaller meter size, fire suppression system would be useless. McBryant said there is a clear rationale for the higher rate due to the higher demand on the system. She offered to meet with him, and there was no further public comment. Davis moved to approve the first reading of Ordinance 983 by title only.

OB 82 OLD CUTTERS SUBDIVISION PRELIMINARY PLAT

Following the motion made at the previous city council meeting, city staff and the applicant had prepared a proposed Phasing Agreement, Community Housing Plan and Agreement, Alternative Deed Restriction, and Findings of Fact, Conclusions of Law, and Decision for preliminary plat approval for Old Cutters Subdivision

Grotto displayed the map with the phasing plan, with the first phase being the southern lots and the three executive lots. After introduction by Williamson, Speck said some construction staging has begun. Grotto said Copper Ranch provided an athletic facility as part of its phased planning, originally planned as part of phase 2. It kept getting amended to a future phase, and there is no guarantee that the last phase will ever be built. McBryant asked what infrastructure requirements have to be bonded. Williamson said all the infrastructure required of final plat needs to be installed or bonded for when the plat is recorded. Williamson said all the community housing is in phase 1. Davis said he liked what he had seen in the agreement. Brown agreed, as well as the changes introduced by staff this evening. Burke asked if the language relative to the surety is

needed – she wanted 2 years or some other term put in for construction of the park and posing surety. Williamson said the park will have to be completed within 2 years of the date of this agreement. If the park is not constructed and accepted within one year, surety has to be provided at 150%, so the park will be done within 2 years maximum. The council agreed that the community housing agreement is acceptable, and the findings of fact with the changes represented tonight were acceptable.

Burke moved to adopt the phasing agreement, with park construction moved from phase 2 into phase 1, with language that if it is not built 2 years from date of this agreement, we receive surety after one year from today, or surety is filed upon recordation of phase 1 plat. Brown seconded; the motion carried unanimously.

Williamson said deed restriction alternatives can be looked at during final plat considerations. **Burke moved to adopt community housing plan as presented, and adopt findings of fact with changes including a looped water line, removal of silt, notation referencing maintenance agreement, and attached, prior to approval of final plat.** Keirn seconded; the motion carried unanimously. Following a question from Keirn, Williamson explained there is no prohibition against developing both phases at once.

NB 85 PEREGRIN SEWER AGREEMENT AMENDMENT

Williamson said there is no discussion ready to be had on the Peregrin Ranch Sewer agreement. Some preliminary work has been done. We do have a description of water rights, and further recommendation from Terry Scanlon. He said we need to do our due diligence. Davis said wading through water rights stuff, he didn't know what he was reading. A summary would be helpful. Williamson said you will get a good memo outlining where we stand when that conversation is ready.

NB 86 HEALTH INSURANCE CONSULTANT

Spinelli said the process of moving toward a better health insurance plan started last year, and staff's proposal didn't fly. There are some products and programs out there that the may now be of greater benefit to the city. If we redo this plan, it has to be the best health program for the employees of the city. We decided we want the new program to be consumer driven with a defined wellness program. We sent out a request for proposals to all local agencies. Premiums were not the issue at that point in time, the program was paramount. We received 10 proposals, whittled them down to 5 for interview. He said we were looking for total level of professionalism, and weighted heavily toward local agencies. Davis asked how a grade was put on follow-up, when only one was our agent. The clerk explained that follow-up refers to questions that came up during the interview, and whether the agents offered further information during the following days.

Spinelli then introduced Mark Newbold of Moloney+O'Neill Benefits, the firm recommended by staff. Newbold said his firm is headquartered in Spokane, with offices in Idaho and Montana. It serves over 800 groups, and 100 groups in Idaho. He read from his letter outlining the scope of services his firm would provide to Hailey.

Becky Stokes said shortly after she had started working for the city she caught wind of some benefits changes, and was skeptical of the changes. Shortly thereafter, she attended a training at the suggestion of Dawson, and learned a lot. There are ways to provide the same health benefit or a better benefit for less money.

Brown said she had a similar program at her job, and it is an important part of her compensation package. A benefit such as this is huge, and she supported the preventative side of this proposal. Keirn said it looks like an outstanding program, and the wellness part of it is important. Davis said he too has a similar program at his work. He wished one of our local companies would have made staff's top recommendation. He felt the council had a fiduciary duty to the stockholders, and taking care of the employees takes care of the stockholders. McBryant thanked staff for working on this.

Brown moved to approve the recommendation that the city enter into relationship with Moloney +O'Neill, subject to legal approval, and sign an agency letter of record naming that firm Hailey's agent effective March 1, 2007. Keirn seconded; the motion carried unanimously.

ANIMAL SHELTER ISSUE

Dawson said the current animal shelter contract stipulates that Hailey pay for animals shelter only when those animals are delivered by the animal control officer. If delivered by citizens, Hailey has the discretion not to pay. The animal shelter has billed for both, and Hailey paid the entire bill during the early part of the contract. To correct that, Hailey informed the shelter that it had overpaid, and would discontinue paying until the credit balance was used. There is currently a credit balance of just over \$10,000 remaining. Brown asked if she had delivered dogs found on Broadford Road to the shelter rather than to their owner, who would have been billed, the city or the county. Dawson said the city would have been billed.

Joanne Dixon, health officer for the Animal Shelter of the Wood River Valley, said Christine Ferguson had sent a letter to the council but was unable to be present this evening. Many dogs don't have tags, and the shelter has to go by the deliverer's claim as to where the animal was found. If claimed, the owner has to pay the fees for impounded dogs and license issues. The contract has been in place since March 2003. There is an issue with animal control service for the City of Hailey. The animal control officer has a limited capacity, and has been encouraged to not act proactively as the animal control officer. From our understanding, in the contract it states that citizens can act as animal control officers in the event of public safety issues. The shelter needs to be reimbursed for the services that it is providing, and it hasn't been paid for services due to a misunderstanding as to what the contract language means. They have difficulty collecting from all the cities, and want to do an umbrella policy with the county.

McBryant said this city council consists of a group of people which own dogs, and are compassionate and cognizant of the problems of pet control. The shelter became a no-kill shelter. City finances are not designed to support that. If citizens are allowed to

decide that they need to act as a policing authority, we lose our ability to control how we expend our funds. There exists only one animal control officer, shared between city and county. It's what the budget has allowed; the budget doesn't allow everyone in the room to deputize themselves for a day. Citizens incur expenses on behalf of the city. Because of that we have a \$10,000 dollar credit that is there, and that needs to be worked through. She has been engaged in discussion with other mayors looking for grant opportunities to meet our needs.

Brown said the no-kill policy was never an issue. She is disappointed that we entered into a contract that is not clear and has such sloppy language. She can't imagine this city not having a contract with a shelter. Dogs are a problem. McBryant said there are other shelters that would take our dogs. Brown said this is a contract dispute that should have been solved. Williamson said the language is not so bad. Keirn felt we have to have a local shelter, and would rather spend the money here than in transporting dogs. He asked why the shelter only wants a contract with the county. Dixon said each city interprets the contract differently. Mayor McBryant said it's not inconceivable that the city could contract for services. Dixon said the shelter wants to be part of the animal control policy. McBryant said we don't have time on the shelter's deadline to put it together. She suggested setting in place an extension for the next 30 days, set aside the credit/payment issue and conduct business as usual over the next 30 days.

Brown moved to instruct the attorney to request an extension for 30 days, set the credit issue aside in the interim, pay under the terms of the current agreement. Burke seconded; the motion carried unanimously.

OB 83 Brown moved to authorize the mayor to read ordinance 981 by title only, implement it into law. Davis seconded; the motion carried unanimously.

OB 84 Mayor read the second reading of Ordinance 982

Council Reports

Brown reported positively on a workshop conducted by a member of the State Commission on the Arts with the Hailey Arts Commission, saying that the goals of the comprehensive plan were linked to Hailey's commission's goals.

Davis said he has asked city staff for square footage needs in 10 years, for the purpose of facility planning. He met with Diane Barker today, and if any committees are being formed relative to fire services, she would like to be on them. He said he has been attending the Wood River Economic Development Partnership group. Davis said he would like a short executive session for personnel purposes.

Keirn moved; Brown seconded to go into executive session. A roll call vote showed all in favor. The council went into executive session at 8:15 p.m, and following a motion to adjourn and roll call vote, the meeting was adjourned at 8:25 p.m.