

**MINUTES OF THE REGULAR MEETING OF THE  
HAILEY CITY COUNCIL  
HELD MONDAY, MARCH 12, 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 and City Clerk Heather Dawson.

**ARCH PRESENTATION BY REBEKAH HELZEL**

Ms. Helzel introduced Advocates for Real Community Housing (ARCH), an organization created for the purpose of working with all interested public and private parties toward the goal of creating community housing. Tonight she was specifically interested in giving information about the organization's housing trust. Habitat for Humanity is one of the new organizations now present in the Wood River Valley with which ARCH collaborates, as well as the Wood River Land Trust, Blaine County School District, and others. She outlined the various parameters by which the organization offers assistance to communities, from funding and developing projects to offering information and education. Jan Edelstein, ARCH Board member, explained various funding mechanisms for development under a housing trust, including the potential of establishing a 99 year lease rather than a sale of housing.

**BLAINE COUNTY HOUSING AUTHORITY**

Sarah Michael and members of the Blaine County Housing Authority were present to inform the council that Blaine County is moving toward dissolving the Blaine/Ketchum Housing Authority and becoming simply the Blaine County Housing Authority. She asked the council to consider nominating two citizens, not employed by or elected officials of the City of Hailey, but residents thereof, to the Blaine County Housing Authority. Brown noted that the council had been given the reorganization plan, and asked how the group would function differently than ARCH. Jim Fackerell said the Blaine County Housing Authority is a government entity, and ARCH is a non-governmental entity. Mayor McBryant said with an expanded board, more work could be done on a sub-committee level, rather than with the board as a whole. Davis asked if the plan for reorganization had been voted upon. Susan Passovoy said it had been. She said the organization that is being phased out is not disappearing; it is being absorbed into an expanded organization.

**ERC PRESENTATION ON ELECTRONICS RECYCLING EVENT**

Colleen Teevin of the Environmental Resource Center was present to give information on the Electronics Recycling Event being planned for the Wood River Valley. A plan had been developed with a budget and partners. The event would be coordinated for a business recycling event and a community recycling event, on a Friday and Saturday, respectively, in late spring. Following that, there would be a month long event. Guaranteed Recycling Experts from Colorado would participate in the collection and recycling of the electronics equipment. She explained how the costs for each entity had

been derived. So far she has gleaned general support and has been given permission to use the Ohio Gulch transfer center. Heather Dawson added that the city planned to divert costs previously expended for conducting an auction with follow-up disposal of items which had not been purchased, an approximate cost of \$1,200, to this event instead. The council was appreciative of the presentation and the event proposed.

## **APPOINTMENTS**

McBryant said the very active group of employees at city hall interested in climate protection have been meeting bi-weekly, and have asked for the mayor to appoint an ad hoc committee member. We have a community member who has great interest and time, and McBryant said she will be appointing Elizabeth Jeffrey to the committee.

## **CONSENT AGENDA**

**Davis pulled CA 98 from the consent agenda. Keirn moved to approve the remainder of the consent agenda as presented and Burke seconded; the motion carried unanimously.**

- CA 92 Motion to approve findings of fact, conclusions of law, and decision for denial of Water Gulch TIC application to amend Hailey Zoning Map by revising the Hillside Overlay District boundary.
- CA 93 Motion to approve minutes of February 26, 2007 and to suspend reading of them
- CA 94 Motion to authorize mayor to sign a CUP application for chip seal storage in South Woodside.
- CA 95 Motion to accept Hailey Historic Preservation Commission's recommendation that the City enter into a contract for services with TAG Historical Research and Consulting to conduct a Reconnaissance survey of historical buildings along Hailey's Main Street.
- CA 96 Motion to approve alcohol beverage license for Heidi's Hoffbrauhaus located at 411 North Main (formerly Viva Taqueria).
- CA 97 Motion to authorize Memorandum of Understanding between IDWR and Hailey regarding management of a shallow injection well program within the Hailey city limits.
- ~~CA 98 Motion to approve surplus inventory for donation, recycled disposal, or auction~~
- CA 99 Motion to authorize waiver of building permit fees for Library restroom remodel.
- CA 100 Motion to authorize write-off of 2 traffic school citations undeliverable to recipients.
- CA 101 Motion to authorize mayor to sign State Disaster Project Agreement to close out the 2006 flood reimbursement request from the Idaho Bureau of Homeland Security.
- CA 102 Motion to approve claims for expenses incurred during February, 2007.
- CA 103 Motion to approve treasurer's cash report for February, 2007.

### **CA 98 – Surplus inventory**

Davis said the Vietnam project is in need of some computer equipment, and he asked for approval to find one computer and two printers from Hailey's surplus. The council concurred that would be satisfactory, provided there was working equipment to be found.

**Davis moved to approve the surplus inventory for donation, recycle disposal, or auction. Keirn seconded; the motion carried unanimously.**

**PH 104- LAWRENCE CREEK II LLC – FINAL GREEN MEADOWS FINAL CONOMINIUM PLAT**

Bruce Smith, engineer for the project, presented the proposed condominium final plat. Planning Director Kathy Grotto said it made a lot of sense to require the sidewalk improvements proposed. There was no public hearing. **Brown moved to approve the final plat, with conditions a-f, requiring the in-lieu sidewalk contribution therein. Keirn seconded; the motion carried unanimously.**

**OB 105 THIRD READING ORDINANCE 982**

**Davis moved to authorize the third reading of ordinance 982 by title only, an ordinance amending Hailey Zoning Ordinance to create a Neighborhood Business (NB) District.** Burke seconded; the motion carried unanimously.

**OB 106 SECOND READING ORDINANCE 983 – WATER METERING**

Mayor McBryant asked if the reading should be delayed pending resolution of water metering issues brought up in a letter from the owner of Pine Street Station. Williamson advised going forward with the second reading. Mayor McBryant read the second reading of Ordinance 983 by title only.

**NB 107 HAILEY ARTS COMMISSION REPORT**

Brown gave a synopsis of the progress of the Hailey Arts Commission, saying the commission is beginning to form its identity and role. She noted that monthly written reports will be presented in the city council information packets each month hereafter.

**NB 108 PEREGRINE SEWER SERVICES AGREEMENT**

Mayor McBryant recused herself to avoid any perceived conflict of interest and turned the gavel over to Councilman Davis. Williamson said the agreement initially had contemplated 380 units, and now, due to a reconfiguration of the property, is now contemplating 72 units. The Rinker trust is correspondingly seeking a reduction in the fees required in their sewer service agreement with the City of Hailey. Williamson said two appraisals had been ordered, and they are different and show different acreage amounts. The first proposal is to exchange the land for the sewer connection. The other proposal that was floated is to exchange the land plus any excess water rights that would not be needed for the Peregrin Ranch property. They have calculated that 19.2% of their property would not be irrigated, and they would, therefore, transfer 19.2% of their water rights to the City of Hailey. Williamson said that water has significant value, as stated by Jim Speck, water rights attorney, and Terry Scanlon. The value of 26.7 acres is \$400 to \$800 thousand. In exchange the Rinker Trust would get both a sewer and water connection to the City sewer and water system. He cited from an American Falls case discussing domestic rights, and dealing with rules promulgated by the Idaho Department of Water Resources ( IDWR). The Supreme Court recently decided on this matter, and upheld the rules, but stated that domestic rights are not subject to a delivery call by senior water user. If there is a senior water user south of us, Hailey can still keep its water running for domestic purposes, although it may not be able to for irrigation. The case did say that if there is a deliberate call by a senior water user, a municipality may have to pay for that water. He expected that water rights will go up in value as a result. Hailey has

surface water rights, including the Indian Springs and some 1883 priority date water rights. Hailey should be looking at acquiring water rights for 4 purposes; to place in a water supply bank, from which they won't be forfeited and money could be made; surface water to be used for mitigation purposes so that the water recharges the aquifer; to obtain a municipal well through IDWR with which to irrigate some of our larger fields, and; to pump the surface water directly into our municipal system. We could obtain a well site on the Peregrine property, with easements to allow us to drill a well, which would act as a potential location in the future. The water system has come under scrutiny in the Logan's Run annexation issue, in which poor water pressure was the subject of some public hearing. The council should consider three choices: leave the agreement as it is, do a land swap for sewer connection, or obtain land and water rights in exchange for municipal water and sewer connections. The Rinker's Trust alternatives to continuing with the sewer service agreement as written would include installing a package sewer system.

Public Works Manager Ray Hyde said the additional water storage tank nearing construction end may not be the full panacea for north Hailey's water pressure problems. He expected that water users will be in denial about their water use during the first few months of the summer, and then, as reality starts to hit them in the pocketbook, he expected water consumption to drop and that will solve the pressure problems. City Engineer Tom Hellen said pressure demands can't meet the supply coming through the six inch water lines to north Hailey. Peregrin is higher in elevation than Northridge, and will need a booster pump. He expected the management of the pump and the pressure release valve should suffice in keeping the pressure in Northridge stable after Peregrin is brought onto the system. Davis expressed concern that an annexation was recommended for denial by the Hailey Planning and Zoning Commission because of water pressure issues. Williamson said that was one of two reasons for a commission recommendation. The council has yet to discuss that application, and annexations are discretionary. He expected no legal repercussions from those matters.

Brown was comfortable with the agreement as is and was opposed to modifying it in any way. Burke said she enjoys Brown's clear thinking. A deal's a deal. Having said that, Burke continued by saying that the ability to use the land adjacent to the Woodside Wastewater Treatment Center (formerly the Roundup property) could have great value to the city. She also felt the water rights would be valuable in our water supply bank. She would be in favor of the land exchange and acquiring the water rights. Keirn said the Northridge bench is windy, and causes homeowners to use a lot of water accordingly. The water pressure has improved since a few years ago, and water is a valuable commodity, and land is even more so. We have a shortage of light industrial property in Hailey. The Peregrin project will get done, one way or another, and it will be managed by the homeowners, and that frightened him because a package sewer plant may be inexpertly managed so close to our major water supply. Davis also expressed concern in the lack of qualified, educated treatment staff in the area, and was concerned how a stand-alone sewer system would be run. He felt we should go for the land and water rights exchange.

Williamson said the sentiment of the council instructs him to draft an amendment to the agreement consistent with this dialogue.

#### **NB 109            ANIMAL CONTROL AND ANIMAL SHELTER PROGRAM**

McBryant said the council heard a proposal from the Animal Shelter of the Wood River Valley at the last meeting. She said Hailey has been working off a credit that we have with the animal shelter. We have the authority to forgive that credit, and she suggested that we do that. She proposed discontinuing our current agreement, and offer a flat payment for services of \$16,000 per year. She suggested then that we cancel the position of dog catcher in our city, and let that duty be assumed by the county. We have a shared situation with the county currently in joint oversight of one animal control officer. Regardless of whether or not the county accepts this, she advised that we step away from the animal control service altogether. She suggested that we willingly transfer all the equipment to the county without any compensation for residual value. The truck's current value is approximately \$6000.

Chief McNary said the demands are a lot different than they were 25 years ago, and the shared position is a difficult one to manage. Williamson said the arrangement with the animal shelter makes sense, and the flat fee would be more simply administrated. It represents a contract for service, rather than a donation. He said elimination of the position is discretionary to the council.

McBryant said on average we are only writing three or four citations a year. Davis said the alternative is to go to a full staffed animal control department. This solution proposed by the mayor is a good solution. Keirn favored the proposal as presented by the mayor, echoing a statement she had previously made that we are better off fighting methamphetamine crime rather than animal crime. Burke thought this potentially should have been done earlier. She supported the proposal. Brown supported the change, but wanted to track the response of the county animal control to animal problems in the city. McBryant said if we were in a dangerous situation with a dog, the county would get the call no matter what time of day the call came in. Keirn said this is an administrative change; the animal control officer would report to only one person, rather than two. The Mayor suggested 60 days be utilized to explore implementation of these ideas.

#### **HOUSING AUTHORITY**

McBryant brought the council's attention back to her question about our current contract for services with Blaine/Ketchum Housing Authority (BKHA). Williamson said the contract has simple termination language. The existing contract allows the BKHA to receive a percentage of sales of units in Hailey, and the reorganized group will want a different method of funding. McBryant said she is uncomfortable with the county asking for funding from cities for services that the county should be funding. She is always annoyed when our own representatives are chosen by the county. In terms of ARCH, she said that service appeared to be free. Burke said nothing is free, but they certainly appeared to know what they were doing, and she was interested in exploring this matter. Brown said that ARCH started out very small, then expanded to become a trust, because they realized they needed to act in a stronger role. Hellen too was interested in getting a

firm answer about what the difference is between the two organizations. Brown said that the media reports that Ketchum withdrew because it had development concerns. She too had questions about the interaction between the two entities, and said she would rather take the less expensive option. Hellen said the school district is working with Rinker on developing its Woodside Elementary area housing units and the city's at the same time.

## **WORKSHOPS**

### **Woodside Street Striping**

Ray Hyde said we are constantly working to try to make our streets safer. There is a lot of interference with bicycle and vehicle traffic on Woodside Boulevard, and he was present to propose painting of Woodside Boulevard with striping that would leave bike lanes and traffic lanes clearly marked. The mayor asked if this is in any way in conflict with the traffic study recommendations. Hyde said contrarily, it is in full compliance with the results of that study. McBryant asked about the maintenance schedule of the striping. Hyde said repainting would need to occur approximately every 2 years. The council had no opposition to the proposed striping.

### **Health Benefits**

Finance Director Heather Dawson said that at the previous meeting, the council had accepted a recommendation from a small screening committee for a benefits consultant. Since then, the committee had expanded to 12 members representing diverse interests, departments, and health care needs and concerns, and hammered out a consensus about health care alternatives. She asked Tom Hellen to present the ideas to the council.

Hellen said that a savings in premium was considered alongside an increase in potential out-of-pocket expenses by the employees, and a plan had been devised through which, by use of an HRA, the employees increased potential out-of-pocket expenses would be covered through the HRA, and if the health care wasn't needed, the employee would retain their benefit in a trust. Hellen distributed a one-page document which summarized the costs of the program and detailed the Regence benefits plan which the committee had chosen. She indicated the committee was looking for informal consensus from the council, so that contract preparation based on these premises could occur before the next city council meeting. The council expressed confidence in the project as it is unfolding. Brown asked who holds the liability for the proposed trust accounts, and after listening to Dawson's response that a contractual Third Party Administrator (TPA) and a Volunteer Employee Beneficiary (VBA) company would hold the liability, Brown summarized that some liability would actually be transferred from the city to outside parties.

### **Airport Relocation**

Burke gave a report on the airport site relocation progress, saying the scoping process would begin soon.

### **Area of City Impact**

Brown said she had met with county representatives and City Planning Director Kathy Grotto about the Area of City Impact issues. Previously, we had drawn lines on maps, drafted some ordinances, and because that had been so long ago, the county wanted to

review all that and touch base with Bellevue before putting the matter to public hearing. Brown summarized that is one more thing that will be coming before the city council soon.

### **E911 Dispatch Center**

Keirn said he had gone to a computer aided dispatch displays, and reported on the progress of the E911 dispatch center. Keirn was hopeful that the hiring process would bring in a few more interviews, and if a successful hire is made, he would be able to back off a bit from this intensive work.

### **Fly Sun Valley Alliance**

Davis said the Fly Sun Valley Alliance meets again on Wednesday. Some finishing touches were put today on a proposal with Frontier Air for flights from Denver. The Mayor said our participation in Fly Sun Valley Alliance should not be represented as any support to create taxing methods for minimal revenue guarantees.

### **Citizen Concerns**

Davis said he had met with Geoff Moore regarding the Transitional (TN) zone, and Moore shares a fear with one member of the HHPC that owners of TN zone lots will raze the buildings and put up a large building. Moore had a recommendation about putting design standards on the TN buildings and applying SCI zone standards. Brown said the existing TN zones are in old Hailey, which already has design review standards. Grotto added that SCI design guidelines are lesser guidelines than those over old Hailey.

McBryant had held a conversation with Chris Grathwold regarding the NB district. She said that the TN is intended to act as a buffer between neighborhoods and established business areas.

Davis said the Chamber of Commerce is doing well with their Springfest planning.

There being no further business, the Mayor adjourned the meeting at 8:00 p.m.