

**MINUTES OF THE REGULAR MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, JULY 9, 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, Don Keirn, Martha Burke, and Carol Brown. Staff present included City Attorney Ned Williamson and City Clerk Heather Dawson.

EXECUTIVE SESSION

Mayor McBryant called for an executive session pursuant to Idaho Code 67-2345 subsection 1, paragraph (d) to consider records that are exempt from disclosure as provided in Idaho Code 9-340C. Keirn moved and Brown seconded that the council go into executive session to discuss personnel issues. A roll call vote showed all in favor. The mayor and council went into executive session at 5:31 pm and returned to the council chambers at 5:40 pm, following a motion, second, and roll call vote to go out of executive session.

CONSENT AGENDA

~~CA 253 Motion to approve findings of fact and conclusions of law for a replat of Lots 1-4, Block 4, Croy's Addition, final plat~~
~~CA 254 Motion to approve findings of fact and conclusions of law for a replat of Lots 9-12, Block 62 Hailey Townsite, final plat~~
~~CA 255 Motion to approve findings of fact and conclusions of law for Airport Business and Storage Condominiums final plat~~
~~CA 256 Motion to approve Summary of Ordinance 987 Water and Wastewater Rate Structure~~
CA 257 Motion to approve piggyback purchase on state contract for 2 restrooms for WS Central Park delivered price is \$36,023 each
~~CA 258 Motion to approve minutes of June 25, 2007 and to suspend reading of them~~
CA 259 Motion to approve claims for expenses incurred during the month of June, 2007

Several items were removed from the consent agenda. **The remaining items, CA 257 and CA 259, were approved as presented based upon a motion by Brown and seconded by Keirn, which carried unanimously.**

CA 253 Findings of Fact Croy Addition replat

CA 254 Findings of Fact HTO Block 62 replat

CA 255 Findings of Fact Airport Business & Storage Condos final plat

Davis and Keirn had removed these findings of fact from the consent agenda in order to recuse themselves from their approval, as they had been absent from the previous meeting. **Brown moved to approve CA 253-255 as presented.** Burke seconded. The motion carried with Burke and Brown in favor, Keirn and Davis abstaining because they had been absent.

CA 258 Minutes of June 25, 2007

Brown moved to approve CA 258 as presented. Burke seconded. The motion carried with Burke and Brown in favor, Keirn and Davis abstaining because they had been absent.

CA 256- Summary of Ordinance 987

Brown asked if this matter should be approved, since later on this agenda there is a motion for reconsideration of the water rates resolution 2007-09. Williamson explained that this consent agenda item was approval of an ordinance summary, and does not have bearing on the reconsideration of the Resolution. **Brown then moved to approve CA 256 as presented.** Keirn seconded; the motion carried unanimously.

AREA OF IMPACT & TDR PRESENTATION

City Planning Director Kathy Grotto outlined the main points of a draft area of city impact ordinance. Mayor McBryant asked if the City of Bellevue has heard this presentation. Grotto said Bellevue has been involved in much of the discussions leading to these drafts, and they have their own heritage areas and other specific areas addressed, as she had addressed Hailey's specific areas in this presentation. Davis asked if there will be discussion of this; Mayor McBryant said that discussion will be held in a duly noticed public hearing format at the appropriate time. This has been an informative presentation.

Jeff Adams, Blaine County Planner and Regional Planner, addressed his presentation first from the regional planner's perspective. He gave growth projections over the next one to two decades. He talked about the importance of Hailey developing urban density subdivision in order for growth to remain compact, and commended Hailey on the Sweetwater project with its 15 units per acre. He asked the council to compare the draft TDR ordinance against Hailey's PUD ordinance and the County's PUD ordinance to see if there is anything missing. Mayor McBryant asked if the county commissioners have heard this presentation as a body. Adams said it is on the county's agenda next week. Burke asked how sending zones remain free of development in perpetuity. Adams said a permanent easement is recorded.

MAYOR'S REMARKS

Mayor McBryant read a letter of appreciation from Maggie Springer expressing gratitude for the open and fair manner in which Hailey's elected officials handled the Wicked Spud special events issue at the previous meeting.

PH 261 RECONSIDERATION OF RESOLUTION 2007-09 WATER RATES

Williamson explained the motion made at the previous meeting put in place an effective date that isn't legally correct. Mayor opened the matter for public hearing but there was none.

Burke moved that the revised language setting forth July 26th, 2007 as the effective date for new rates set by Resolution 2007-09, be incorporated into Resolution 2007-09. Brown seconded; the motion carried unanimously.

NB 262 SENIOR CENTER LEASE

Williamson presented a Second Addendum to the Leases Agreement between Hailey and the Blaine County Senior Center. The language broadens the property leased by Hailey to the Senior Center to include the vacated portion of Cedar Street between Block 126 and Block 135 east of the alley, and Lots 11 and 12 of Block 126. The City Council had discussed this matter last summer with the Senior Center officials, who contended that the property was needed for an addition to the facility. Williamson said he submitted the lease language to Brenda Shappee,

who has not responded. Jim Spinelli spoke on behalf of the Senior Center, saying he is the vice-chair, and the language of the lease is what the Senior Center is looking for. **Brown moved to adopt the second addendum to Blaine County Senior Center Lease agreement. Keirn seconded; the motion carried unanimously.**

NB 263 MUNICIPAL CODE AMENDMENT – CHAPTER 13 – Water Rates

Williamson said a few small items had been missed in the previous revision of municipal code chapter 13 adopted at the last meeting with Ordinance 987. The proposed ordinance is an amendment to Ordinance 987. The mayor asked why this is not on the agenda as a public hearing. **Davis moved to continue this matter to July 23rd, and set it as a public hearing.** Burke seconded; the motion carried unanimously.

NB 264 LINCOLN COUNTY'S REQUEST FOR VEHICLE

Williamson noted that the Lincoln County Sheriff had requested, by letter, that Hailey donate one of its retired police cars to Lincoln County. He explained the legal proceedings and notices required if the council were to do that. Brown said if donation of the vehicle does not represent a significant amount of money, the concept of donating could be pursued, but she would like to check with Carey or Bellevue to see if it is needed there instead.

NB 265 ASSIGNMENT OF CONTRACT – WOOD RIVER RIDE SHARE

Brown moved to approve Resolution 2007-10 to assign personal services contract with Wood River Ride Share to KART. Burke seconded; the motion carried unanimously.

NB 266 CONSIDERATION OF FUNDING FOR ADVOCATES FOR SURVIVORS OF DOMESTIC VIOLENCE

Burke disclosed that she had been employed by the Advocates for 8 years, and continues to conduct contract work for them in regional classrooms, and therefore recused herself from the discussion. John Seiler presented the Advocates request for funding from the City, saying that Ketchum and Blaine County have contracts for services with the Advocates. He named the percentage of area cities, saying that 60% of the users of the Advocates come from within the City of Hailey. The Advocates provide training about domestic violence, and he understands that the Hailey Police Department participates in that training. He said a letter submitted to the City from Fritz Haemmerle expressed concern that a fee waiver request was being turned into a contract for services. In fact, the city had been clear that it doesn't waive fees, but had expressed value in the Advocates service to the extent that it felt the Advocates were an organization worth supporting. Seiler said the Advocates offer a service which has a public purpose, and in fact holds a 501-c status.

Fritz Haemmerle said every non-profit operates at a deficit. He expects his taxes to be used for governmental functions. Haemmerle said it is up to private entities to support pet causes or 501-c's. It is not up to the city to expend citizen's taxes on pet causes. He urged the council not to use his money for your causes, but rather, give it back to him to use as he wishes. McNary said the decision is the council's. Keirn said a proposed contract for services is needed. Williamson said there are some sample contracts for services in the packet.

Brown said when she took the oath of office, she swore to uphold the health, safety and welfare of the public, and she was supportive of enhancing partnerships where Hailey's obligation for safety is met by another entity. She said a direct connection can be made between the time a member of the advocates assists a victim through the court system and our police department's time, which doesn't then have to be used for that function. The same is true for the animal shelter, which services a safety function in housing dogs at-large, which are a safety issue. Her decisions are based on if there is a direct tie to health safety and welfare. She commended the mayor for recognizing that this matter would fit as a line item within the police department budget. Keirn agreed, but said the matter needs to be discussed in the budget process because funds are not limitless, and prioritization of these items in the budget will be key. McBryant said it may be easier for her to justify assigning some staff time to the program, so we know specifically how the funds are being used.

2007/2008 BUDGET

Mayor McBryant said she had introduced the budget in broad strokes at the previous meeting, and had asked Jim Spinelli to further elaborate on the budget. Spinelli said Mayor McBryant's summary of the budget goals was a good depiction of the budget. There are no significant items in the budget outside of what we do. He said a summary of our efforts is that we are attempting to put stability within the budget. He said the first element to budget stability is revenue streams, which are listed on the outline. He said we may be inflating the budget a little bit, as \$300,000 fund balance is appropriated for operating costs. He proposed for the end of this year, and going forward, we might find some areas that we could allocate some over-budgeted monies and complete some projects. Addressing fundamental safety issues with operations budget is key. He found many safety areas that need to be fixed as he began working for the city, and when he asked other city staff to fix these safety issues, the answer was that there is no budget for that.. He would like to be able to fix the sidewalk that someone tripped on, and have money for that in the budget. Developing contingency plans for unspent operations is another issue. A low snow winter leaves some money that may potentially be spent elsewhere. We have identified areas in the climate protection committee for cost savings of energy dollars; we may want to use unspent monies in the latter part of the fiscal year for that type of improvement.

Capital Improvement Plan – a permanent snow storage area and a new municipal facilities plan is key. Taking a look at value and best uses of our assets would be part of that priority. The local option tax revenue source term will expire; He wanted to attempt to fund the police officers through the budget, so the use of LOT funds could be broadened. Leveraging the LOT for grants and partnerships would be a good use.

Lastly, Spinelli hoped to develop a merit pay system for city employees.

McBryant asked when the capital expense budget will be developed.

Brown said she would like to get more information on the broad circulator bus; she would like to have more details on what that would actually mean. Davis asked what happened to the council's discretionary money. Mayor suggested that \$9,000 be allocated not as discretionary

funds but at \$3000 apiece to fund the needs of the various boards and commissions, including the Arts Commission, Historic Commission, and Parks Board.

Davis wanted to see the parks maintenance cost funded not by LOT, but from general operating revenue, so that we can utilize the \$30,000 for upgrades to the parks such as bathrooms or fixing the pavilions, etc. Keirn asked if those wouldn't fit into the capital improvement plans. Davis said organizations including the Advocates, YAK, KART, and Housing Authority have all asked for contributions. Davis said he could make the same argument for YAK that Brown had made for the Advocates in terms of public safety, since children are being taught how to respect and volunteer to the community instead of getting trouble. The KART program would be a good use of LOT funds. Keirn said we are moving things around, and the bottom line is there is only so much money. Davis wanted downtown beautification items in the LOT budget. Brown wanted to see Phase IV of the US Geological Survey water study in the budget as well.

NB 268 BLAINE COUNTY'S REQUEST FOR TRANSFER OF HOOK-UP FEES.

Tom Bowman thanked the mayor for allowing this dialogue. This is not a request for a waiver of fees, but for an offset of fees. The County has paid \$217,000 in fees between the building permit fees and water and sewer hookup fees. He said he requested that the city hold the water and sewer check until we have this dialogue. The jail's impact on the water and sewer plant should be paid for. We are retiring some of that jail capacity at the same time we are going to take up jail bed capacity. We are asking for an offset in consideration of retiring the old jail facility. The jail wouldn't require another hookup if the use is already on the same site. Mike McNeese said if the water and sewer capacity vested in the current jail site is transferred, the county recognize that a future development on that site would have no vested capacity. If transferred, no hookup fees would be vested to the site.

City Engineer Tom Hellen said the new jail has a 4 inch service; the existing jail has a 2 inch service. Bowman said currently the county has no plans for that building unless someone comes to us and says we want to use that building. The land and the building are both owned by the county. Davis asked if there is a way to factor the service size differences. Brown asked under which ordinance the fees were factored, and was told that Ordinance 983 was adopted last October and was in effect when these fees were factored. Brown wanted a recorded document showing the fees would be required under future development. Bowman said much of the size of service is about fire suppression. Burke said our staff has been tasked with solving this problem, another form of double-taxation. Hellen said connection fees will only go up, and if the connections aren't transferred off the site, a new facility or new use would then have that already. The council did not know how to solve the problem, even though they had some sympathy for the argument. Staff was directed to work with the county further on this matter.

CUTTERS WATER RIGHTS

Davis recused himself due to a conflict of interest. Williamson said Hyde had submitted a memorandum dealing with the water rights, and outlined the points of that memorandum. He added that some of the water rights could be used to irrigate other parks feeding off the Hiawatha Canal, such as Deerfield and Curtis. Maintenance of the culvert has been a big issue

with the city in the past. The developer believes that the lot owners nearby will be interested in that culvert, but city staff recommends the culvert be maintained by the HOA. Jim Speck said the water right is recommended for municipal purposes, not irrigation purposes. He would be willing to defend an aesthetic use as a legitimate use of the water right. His client is in favor of seeing 20 inches of water run through the ponds. It was never contemplated that the water rights would be used for the city's purposes. We bought the water rights through the annexation fee. It makes sense to him that the city would want to use both sources of water. When city treated water is used for right of way irrigation, the HOA would pay for that cost. It is very important that this landscaping feature be kept alive. Larry Schoen said water is an increasingly precious commodity, when water rights of seniority are selling for \$30,000 an inch; there is a considerable value in the water. The place of use for water rights is much diminished, and this whole process will be kicked into the transfer process. It is well worth your time to look into what happens in the transfer process. Much of the water used is for carrying the water right to its use, and within a sealed pipe a lot less water is needed to deliver the water right. Some significant things will happen to the other users in the Hiawatha Canal. Hailey should hang onto as much water rights as it can. If there is other water that is made available through this development, look to that to meet this need.

The council discussed whether municipal water should be used to irrigate the right of way, after which Brown summarized that the council is in agreement on that issue, which affects old Hailey as well. She felt that the trees will need to be established before municipal water is not allowed for that use. A plat note or something that says the water isn't there all summer, and the vegetation will die would be helpful. She wanted to hear from the parks board about the \$10,000 for each park. The three land owners should have the full Idaho experience of taking care of a culvert.

Burke said we shouldn't use our water rights to irrigate the rights of way. Keirn felt we need to hang onto every drop of water we can. McBryant said the water right was part of the transaction of annexation. We made the requirement for right of way landscaping, and it was always her thinking that landscaping would be irrigated by the water right. Old Hailey didn't come in as a development with that requirement. This isn't the time to develop meandering streams that weren't part of the project. Grotto said the applicant had proposed the special right of way feature. In the information she had as this went through the process, it said the homeowner's association was responsible for maintaining the landscaping and the right of way. Mayor and Council agreed to not allow 20 inches for meandering stream. Make it our job and bill for the work of maintaining the culvert. Williamson said by doing this we had just taken on a duty and a liability for the flooding. Mayor concurred, let the three landowners handle it – they'll flood once, then never again.

Keirn moved to approve item 1, not approve 2 and 3, and 4, and have the city attorney and developer develop a plan to be approved at a later point, along with diversion from high ditch. Burke seconded; the motion carried unanimously. The motion carried with Burke, Brown, and Keirn in favor. Davis had recused himself.

CROY CANYON SEWER SERVICES

Barry Luboviski listed many reasons that it is a benefit to have sewer service to the Spring Canyon Ranch and the Croy Canyon Ranch Foundation. He understood that Hailey citizens shouldn't pay for that service. He said a separated bike path will be built all the way into town. We will improve the access to Lamb's Gulch and will improve the Democrat Gulch road access. They will tie into all the BLM and state trails, and revitalize Democrat Creek. We hope to be able to give inclusionary housing in lieu of fees to the foundation. He said he will be open to discussions about bridge improvement, but the sewer lines would run under the bridge. He would like authorization from the council to work with city staff in negotiating an agreement for sewer services.

Jeanne Casselle said we are very excited about having neighbors like this that want to help our project succeed. The sale of Blaine Manor has been authorized and it will be put up for auction this fall. Spring Canyon began discussing their plans with us about a year ago, and their development is very compatible with what we hope to do as well.

Brown noted that several years ago we had voted to extend sewer services to Croy Canyon Ranch Foundation. The question now is whether to authorize extension to Spring Canyon Ranch. Mayor said the council needs to consider whether it wants to go down that road, but we've been legally challenged on that before. Davis said some entity needs to take the lead on reducing the septic systems in the valley. This adds again to the traffic problem. Traffic mitigation needs to be done on Bullion Street. The bridge could become an obstruction to emergency services reaching the elder care facility. He would like to see the city put something in place that would address city wide impacts from development in the county, as long as there is something in it for the citizens of Hailey, and no cost being born either now or in the future. Burke said if we're going to consider putting a sewer line on a poor bridge, we might as well start with a good bridge. Brown said this dovetails with the ACI presentation. She said there will be fees above basic service fees. She urged conversations with Becki Keefer. The sewer service has nothing to do with what densities the county considers there.

REPORTS

Hyde said the Quigley Storage Tank was put online this morning, and seems functional at this time. We are not raising the elevation of the water, so the pressure should not be rising, but we should be able to cause the existing pressure to sustain longer into the evening after the peak period is passed. He said north Woodside will be seeing some pressure differences as the city works with pressure reducing valves adjustments which have never worked properly.

Spinelli announced that there are boards and commissions training on July 24th at 7:30 p.m. He is seeking out training on what happens in a hostage situation, based on what happened in northern Idaho. He said a local FBI agent is a hostage survival trainer. He said he is still looking for someone who will come in to evaluate the security of city hall

Don Keirn said he will be meeting with other officials to talk about the best packaging for Blaine Manor for a lucrative sale.

Mayor thanked the council for helping to support the Bill Simons reception by purchasing the alcohol at their own expense. Simons was thrilled with the size of the parade. Family and friends of his were there from Boise, he enjoyed meeting people at the reception. Jimmy's Garden ribbon cutting was opened this past weekend. Chris and Phoebe Pilaro are to be commended on their vision. She asked Brown to find out if the library needs any assistance on their budget, saying we'll be happy to help.

Mayor then announced that Ray Hyde has been selected for a Public Works Manager position in Wisconsin, and gave a two-weeks notice today. She commended him and other city staff who have been successful in moving to new professional positions based on their accomplishments at Hailey.

There being no further business, Mayor McBryant adjourned the meeting at 8:50 p.m.