

**MINUTES OF THE REGULAR MEETING OF THE  
HAILEY CITY COUNCIL  
HELD MONDAY, JULY 23, 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.

**OPEN SESSION FOR PUBLIC CONCERNS**

Mary Jo Helmeke announced that her husband, Todd Helmeke, works in Iraq and participated in a tree planting project. The two trees that he planted were dedicated to the City of Hailey. She presented certificates commemorating the tree plantings to Mayor McBryant.

**CONSENT AGENDA**

Keirn moved and Davis seconded to approve the consent agenda as presented, excluding item CA 277. The motion carried unanimously.

- CA 271 Motion to approve Development Agreement and Area Development Plan with FaPo Holdings for The Village at Hailey Center
- CA 272 Motion to approve Chief McNary's request to use his accrued PTO beginning on July 27, 2007 until the PTO has been depleted, and to pay health insurance premiums for a six month period following his effective date of resignation, unless employment is accepted from an employer who pays his future health premiums, in which case Hailey's obligation to pay health insurance premiums would cease
- CA 273 Motion to approve special event allowing First Bank of Idaho to hold a 10<sup>th</sup> anniversary carnival at McKercher Park on September 29, 2007, authorizing waiver of 1) limitation of one major event per park per month, and 2) waiver of fees
- CA 274 Motion to approve alcohol beverage licenses for 2008 as presented
- CA 275 Motion to approve Idaho Power's installation of junction box to serve shed/lighting at McKercher Park
- CA 276 Motion to approve minutes of July 9, 2007, and to suspend reading of them
- ~~CA 277 Motion to authorize the Mayor to sign the Notice of Substantial Completion for the Water Storage Tank~~
- CA 278 Motion to approve Treasurer's Cash Report for the month of June, 2007

**CA 277- Notice of Substantial Completion for Water Storage Tank**

Williamson said some landscaping needs to be finished. Hailey may take over the landscaping, if we do, we will need to work out the dollar points of that as well as liquidated damages. Williamson asked that the council allow the City Engineer and the City Attorney to approve the list of items to be completed. He didn't want the matter delayed, because the contractor signs a release when substantial completion is

accomplished. **Burke moved to approve substantial completion, pending the attorney's approval of the completion list.** Brown seconded; the motion carried unanimously.

### **MAYOR'S REMARKS**

Mayor McBryant noted that this is Planning Director Kathy Grotto's last council meeting. Beth Robrahn, senior planner for the City of Ketchum, has been hired to fill the planning director position.

Mayor said that Sun Valley Company General Manager Wally Huffman made some comments recently along the lines of: "Hailey is an island not in need of the rest of the valley". She said she has made statements to Gene Delago about recognizing the fact that all the cities need each other to survive and is quoted as such on the Delago show.

### **AMENDMENTS TO ORD 987 (TITLE 13)– WATER RATES**

Hellen introduced some more modifications to Title 13, which had recently been amended with Ordinance 987. **Davis moved to approve ordinance 988, waive three readings, read by title only. Burke seconded; the motion carried unanimously.**

### **OLD CUTTERS SUBDIVISION FINAL PLAT**

Davis recused himself due to a conflict of interest.

Jim Speck introduced the application, saying that the goal for completing the infrastructure for recordation of the final plat is in late September. Grotto discussed the requirement for an inspection of the pond lining, and that written findings be submitted by the inspector.

Mayor McBryant opened public hearing. Jim Philips said some work on the high ditch will need to be bonded for. He wanted to look at any plat notes that may affect the high ditch. He said with ditch loss all of the water right is not likely to get to the park. He wanted to know the holding capacity of the ponds. The weir needs to be added as a bullet point under plat note B. Williamson said the high ditch improvements wouldn't be city improvements.

**Brown moved to approve the final plat subject to conditions a-t, adding conditions u, v, and w as follows: (u.) The individual land owners of the three "estate" lots (Lots 13 and 14, Block 2, and Lot 1, Block 3) will be responsible for the maintenance of the culvert under the private street adjacent to those lots and the culvert under CD Olena Drive, which shall be included as a note upon the plat; (v.) the City shall enter into an agreement with the relevant property owners to allow for the diversion of water rights for the park, which agreement shall be provided prior to recordation of the plat; and (w) a water measuring device shall be installed on the weir for the High Ditch.** Keirn seconded. The motion carried with Brown, Burke, and Keirn in favor. Davis had recused himself.

## **DESIGN REVIEW ARTICLE 6A TEXT AMENDMENT**

Grotto introduced the amendments, saying design review may need some case by case analyses due to the affordable housing component. Brown asked if a private developer could benefit from this. Grotto said that could happen.

Mayor McBryant opened the public hearing. Peter Lobb of 403 East Carbonate said a private developer will be the first to take advantage of this. If this came up because of the school affordable housing project, it should not be a blanket rule, but should just apply to the school. Geoff Moore said time is money for the private developer; he said an extension is a good thing for community housing.

Keirn said each case is decided on its own merits, so there are plenty of checks and balances. He and Davis both felt it was a useful amendment. Burke asked if the city attorney felt there should be a sunset clause on this. Keirn said we'll set our own sunset clause; if there are abuses of it, we'll cancel this amendment. **Davis moved to approve Ordinance 989, and read the first reading by title only.** Keirn seconded; the motion carried unanimously.

## **SCI TEXT AMENDMENT**

Grotto said Airport West is the only land currently zoned SCI, and the industrial sub-district is getting built out compared to the sales and office sub-district. The planning staff looked at the sales and office sub-district to see if some additional uses should be added; and found that additional uses should be added to both. She said the sales and office sub-district exclude landscapers because so much outside storage is needed. Retail sales incidental to the primary use of an office is allowed. Grotto used a home health office as an example, citing the wheelchairs and walkers as an incidental sale. Brown asked about automobile parts dealership, saying it is fairly fully retail. McBryant asked if plumbing parts retail is an allowed use. Grotto said they are primarily wholesale.

Mayor McBryant opened the public hearing. David Shames generally supported the amendment. Geoff Moore of 406 South 1<sup>st</sup> asked if accessory dwelling units could be added to the district. Mayor said residential units have been precluded through the annexation agreement from Airport West. Grotto added that residential units would be allowed in SCI zones which may be located outside of Airport West.

Brown said she preferred to exclude auto parts from the uses. Davis felt Airport West is an evolving subdivision. **Brown moved to approve Ordinance 990, amending the zoning ordinance as presented, excepting out auto parts dealers as a use, and finding the amendment does not jeopardize the health, safety and welfare of the public.** Burke seconded; the motion carried unanimously.

## **MAYOR AND COUNCIL SALARY INCREASES**

McBryant said this ordinance puts a 3% increase on the mayor's salary, and increases council member salaries from \$515 to \$800 per month. As a city becomes more sophisticated, the council needs to take a more involved approach, and therefore the salaries are being raised in recognition of that happening.

Mayor opened the public hearing. Peter Lobb said Hailey is growing, and is becoming complex. He was in favor of the increase, and said it could be more. He hoped that we are not depending on development fees to balance the budget; as they may not continue.

Brown said the mayor's salary is low, and that should be increased as much as possible. This is a working community; all elected officials work as well as serve in office. Keirn said we need an incentive for good candidates. Sun Valley's mayor has already suggested another raise.

**Davis moved to approve the first reading of Ordinance 991, reading it by title only.**

Keirn seconded; the motion carried unanimously.

### **ORDINANCE 986**

Williamson said the Hailey City Council had previously approved a rezone of the Copper Ranch properties, and had also approved this ordinance, but we didn't get the development agreement signed and returned back to us within 30 days of the ordinance adoption. We need to start the ordinance adoption over again, with the three readings. The public hearing on the rezone is done.

Davis recused himself. Mayor opened the public hearing; there were no comments.

**Keirn moved to adopt Ordinance 986, and proceed with first reading by title only.**

Burke seconded; the motion carried with Keirn, and Brown in favor. Davis had recused himself.

### **CROY CANYON RANCH FACILITY WATER LINE**

Mary Ann Mix said although a private developer will be extending Hailey's sewer line west of Hailey to serve the Croy Canyon Ranch Elder Care Facility, she was interested in finding out if Hailey is still willing to extend its water line, and if it is willing to participate in a block grant application because the funding is now in place for the facility. The extension of the sewer line can be used as the matching funds for the grant, which would be a match that costs Hailey actually no funds. Davis said a feasibility study on raising donations to match the sale of Blaine Manor should be completed, and asked when that will happen. Mix said that will be completed in mid-August. Hellen said the average water usage for a facility such as this is 100 gallons per person per day. What is not shown is irrigation that may occur. Mix said they were hoping to irrigate through grey water recycling, as this will be a green project.

Dawson noted written correspondence had been received cautioning the council on this matter because there are low water pressures in Hailey. Brown asked if our own system needs to be beefed up to do this project. Hellen said the system may need to be increased just to meet Hailey's demands. This extension compares to serving 5 or 6 houses. We have not yet seen conservation resulting from the increased metered rates. If conservation doesn't occur, we will need a new well. If it does occur, the need for a new well will be prolonged. Williamson said the usage of water extended outside Hailey boundaries can be agreed at any price set by the council. Brown was concerned about

being cautious for the sake of Hailey residents. One annexation was put on hold pending the results of the new water tank coming on line. McBryant suggested voiding future water access to existing Blaine Manor, transferring its water out there, and developing that parcel into a non-water consuming use. Mix said commercial water rights are limited to 2500 gallons per day. Water is problematic without Hailey's support. Brown said boosting our own water supply may be enhanced by the Foundation. Burke hoped to see this go forward, as it is an important project. We need to find the creative right way to do it. Davis said we don't have land to put a well on that he is aware of. Mix said the grant element being pursued is the job creation element. The application deadline is September 17. A public hearing would be required prior to submitting that grant.

### **CALVARY CHURCH**

The Calvary Church had asked the council to reconsider the start time of amplified sound during its approved August and September park events. Burke said the intention of the motion she made was to identify the effect on the neighborhood of the Sunday morning amplified sound. The council did not want to allow three events without knowing the effect of the sound. Keirn isn't sure that the 4<sup>th</sup> of July, the date of the first event, is a good day to judge by. He felt 11:00 a.m. is an appropriate time. Brown favored 10:00 a.m., saying 9:00 a.m. is too early on a Sunday. Mayor said it is different than the folk festival or a business operating on its own property, because it is a church operating on public property. That's not the intent of the special events permit. A church event can go in the park as can a wedding, but a succession of church events doesn't have the same look as a wedding. She suggested we may want to revisit our ordinance and figure out how we will handle future consecutive events. Brown said she is looking for recommendations on this issue overall from the parks board. The council concurred that the 10:00 a.m. start time would be allowed for the Calvary Church's amplified sound.

### **ENCROACHMENT ORDINANCE**

Mayor introduced the intention of the encroachment ordinance. Williamson said the focus of the 2004 revision dealt with mailboxes. Jon Marvel of 316 East Bullion said it came to his attention that the encroachment permit was issued for curb, gutter, and sidewalk work in mid-April for Hailey Elementary. He was amazed to see curb being established 35 feet within the city right of way. This struck him as unprecedented in Hailey. He said such a precedent is a bad thing when there is no discussion about it. The city has acknowledged a failure of communication between the planning staff and the public works staff. It's a very linearly thought out process that has no relationship to the values expressed through the old town site overlay process. He felt the curb should come out of that location. He continues to be upset when he sees this massive engineering work being constructed without any community dialogue. Why isn't the school board responsible for finding out its relationship to what the citizens and its elected officials have adopted as the design values of the town site overlay?

Brown asked what the relationship is between overlay zone and projects. Is there any connection, or trigger for review? Williamson said an encroachment permit must be applied for. There is a trigger point for design review when there is a change of use or new construction or alterations to a building. Brown said this is the third time we have

had staff having to make decisions where there is no policy in place. Keirn suggested that an encroachment application be automatically reviewed by the planning department.

Dawson asked if the transportation master plan has a design element, or is it's focus merely infrastructure quality. Hellen said it is largely infrastructure quality. Hellen said the elementary school experimented with the parking design with cones, and now have formalized what worked best through the curb. Burke was concerned that there is a safety issue; at the very least she wanted to see some landscaping. Hellen described the landscaping plan. Marvel said that decision has again been made without any public input. This is a system that's changing the whole pattern of development, and changes the nature and quality of the townsite in a way that's unprecedented.

Davis said there needs to be criteria for curb and sidewalk applications. Some criteria for distinct zones need to be addressed. He didn't know what the legal ramifications of a stop work order would be after we issued an encroachment permit. Burke asked if there is any legal reason why this should not go forward. Williamson said procedure has been followed under our present ordinance; the permit has been issued as a valid permit. Keirn said the system is flawed; we need to fix that. In Boise, every department signed off on everything. Brown said a temporary encroachment is a far different matter than something that will be permanent. Burke said this is so permanent that it feels like a vacation of city right of way. Williamson said the ordinance states that the permit is a license, which means it can be revoked or something different can be required. Davis said before we revisit this we need to see how it operates during snowfall. Mayor said a letter needs to be written to the school putting them on notice that the street may need to be reconfigured to a different design. Brown wanted that letter to go out as soon as possible, so that the school can make a decision as to whether to stop now or hope that re-design is not required later.

Grotto felt this would not be a design review issue. She felt it better handled through the encroachment permit and more scrutiny when areas such as the old Hailey townsite are affected. Deviations need to be handled on a case by case basis. An extra layer of review would be much more onerous.

### **LOGAN'S RUN ANNEXATION – FISCAL STUDY**

Dawson noted that the Logan's Run developer had made steps to put in place a fiscal study so that his annexation application could proceed to the city council. She felt a study is not needed on this application, as it has only been 18 months since the Cutters study was done, and only 6 months since the fiscal study on development impact fees was done. She said Hailey's ordinance allows the council discretion in this matter. Bill Abide asked if the council is comfortable with the lack of study. Keirn said we have the tools here now; another study won't accomplish much more. Mayor said a candidate for application should know when that is pertinent. Should the trigger point be a certain number of years? Dawson said political views will change about every 3 years – four years ago we weren't talking about inclusionary housing at the same level we are now. Williamson said the council can handle this question completely on a case by case basis, and suggested that no other regulations are put in place. The council did not require the

study of Logan's Run at this time, be noted that if a significant time period elapses, that requirement may be reinstated.

### **2007/2008 BUDGET**

Mayor said she wanted to pay off the fire dept and street dept lease within this fiscal year. The local option tax budget was presented. Mayor proposed contributing \$30,000 to KART, which would allow city employees to utilize a pass for the bus. It will enhance the ridership numbers, will give KART the funding it needs, and will meet the climate protection committee's goal of reducing trips. Optional merit pay for department heads was too difficult to put into the mayor's budget, so it has been put back out in departments budgets, with 5% budgeted for each department head. Finance department has an additional \$5000 budgeted for development impact fee administration. The Associate Planner position has been deleted. It wasn't filled this past year, as there has been a decrease of development application. Since the council accepted the resignation of the Chief of Police, the Mayor authorized a salary budget up to \$80,000 as the top of the range posted for recruitment. She put another \$10,000 in the library budget to enhance their salaries and make them more equitable. In the next one to two months we'll be discussing the configuration of the public works department. This opportunity to look at the entire department as a whole, and what should the rate of pay be for each position is a valuable discussion. The final component of the presentation is the capital improvement plan.

Hellen said he had prepared a cash flow projection and a list of projects over the next five years. Snow storage, roundabouts, water projects, park trails projects are summarized into the first page summary. At some point someone is going to have to talk about a bond election to enhance these funds, unless we do other significant annexations. The mayor said she would like to have the first page appended to the budget that is adopted. Davis asked what the building projects are. Hellen explained the detail on the pages behind the summary pages.

Brown asked if SIEDO is a valid expense. The Mayor and Keirn felt it is not. Brown wanted to make sure all the boards and commissions are covered by the \$6000, and that council meetings are not. She felt a contract for services with the Advocates is appropriate, and some of the SIEDO money could be allocated to that. Burke removed herself from the table with this sentence, as she had a conflict of interest. Brown wanted \$2500 for that, under professional services. Davis wanted YAK added; but Brown challenged him to show the direct cost that is covered. Mayor said the Advocates are working with the police when an alleged crime has occurred. The hybrid vehicle would need to function as a replacement vehicle before she would approve it. She said she had received quite a few endorsements of the KART circulator bus, and was surprised the business community wasn't all over that. Jason Miller said the original proposal was for the purpose of making the inter-city use free to all citizens. Bus passes for employees would be awarded, and are transferable within a family. We would also supply the city with one-way ticket rides. We still can accomplish making the circulator bus free within Hailey even at the \$30,000 (the initial request had been for \$50,000). Reduced rider ship fares on the commuter vans would be another benefit. Brown thanked the mayor for

eliminating the smoke and mirrors from Hailey's budget since 5 years ago. Keirn felt the capital improvement revenue is significant, because without that we were headed for a disaster. Davis was concerned that departments may not have enough money for fuel. Spinelli felt comfortable with what had been budgeted for fuel

**Davis moved to adopt Local Option Tax Budget and incorporate it into the not to exceed budget of \$11,021,072, with the capital improvement summary page appended to the budget.** Keirn seconded; the motion carried unanimously.

## **REPORTS**

Hellen said there is a distribution problem through the system, part of which is based on demand. Conservation efforts have not yet proven successful.

Spinelli said Tom Hellen has been appointed interim acting Public Works Director, and Jeff Gunter has been appointed interim acting Police Chief.

Burke said she had a productive meeting with the Deputy Secretary of the Interior, and Senator Crapo said our airport is one of the most unforgiving he has flown into, and felt that the airport relocation efforts are valid. In one month we will have a report from the FAA on whether they have agreed to accept the TLS. She said the TLS changes the minimums but it doesn't provide the reliability.

## **EXECUTIVE SESSSION**

Mayor & Council went into executive session to discuss land acquisition and to communicate with the attorney about pending litigation and a personnel issue, pursuant to Idaho Code 67-2345 subsection 1, paragraphs (a), (b), and (c). following a motion by Davis and seconded by Keirn. A roll call vote showed all in favor. The council went into executive session at 9:00 p.m., and adjourned at 9:15 p.m. following a motion and roll call vote to adjourn.

There being no further business, Mayor McBryant adjourned the meeting.