

**MINUTES OF THE REGULAR MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, FEBRUARY 11, 2008
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 Rick Davis. Present were Council members Martha Burke, Carol Brown, Don Keirn and Fritz Haemmerle. Staff present included City Attorney Ned Williamson and Clerk Heather Dawson.

Mayor Davis opened the open session for public concerns. Bob Wiederick, a business owner in Hailey, residing at 1120 Quigley Rd., voiced concerns over the Development Impact Fees. Mr. Wiederick said that he does not think we should apply this fee to projects that were in the works before it was enacted. Rick Davis, Mayor asked him to call him in the office tomorrow and he would discuss this with him.

Katherine Greer of 921 Antelope spoke regarding Hemp Initiatives that were passed. (CA 921 on the agenda). She brought in heritage quilt that has been in the family. Her great grandparents used to grow hemp. She would like to see crops grown here in Hailey. She advised that the quilt cannot be smoked. She does not care about the other two initiatives. She showed plastic bags that cannot be recycled, comparing them to hemp bags that are biodegradable. She showed many hemp products that are good for the environment and can be in a compost pile. There are a total of 200,000 acres of hemp being grown on American soil. She also submitted a hemp sock for display for council.

AIRPORT REPORT

Susan McBryant addressed the council pertaining to airport issues. McBryant advised council that the last Friedman Memorial Airport Authority meeting she attended focused heavily on snow removal. In the past three weeks it has cost the airport \$75,000 to keep the airfield open. The number of hours the airport has been closed has been minimal. She wanted the council to know how hard they have worked to keep the airport going. There was an EIS meeting today. She recommended that Council talk with Martha Burke, City Council President about scheduling a meeting with elected officials with cities and counties and talk one on one and get feed back.

The FMAA discussed that the goals of FMAA may not be consistent with Fly SunValley Alliance and we may have a conflict. Fly S.V. Alliance wanted Len Harlig to represent the county. McBryant is representing city. She invited the city's opinion on whether we should be participating with this new form of corporation and also on whom the appointee should be. McBryant would be happy to represent the city's opinion at the next airport meeting. It is important that the city show a presence at the Fly Sun Vally Alliance Board meetings if we don't actually have a seat on the board.

CONSENT AGENDA

Mayor Davis pulled CA33 and CA35 from the consent agenda for discussion. **Brown moved to approve the rest of the consent agenda, Burke seconded; Motion carried unanimously.**

- CA 30 Motion to approve Hold Harmless & Indemnification Agreement for fireworks display from school
Property
- CA 31 Motion to authorize signature of applications and permit related to Wood River Land Trusts' Lion's Park Riparian Wetlands Enhancement Plan
- CA 32 Motion to authorize the Mayor, Police Chief & City Engineer to sign the Safe Routes to School Proclamation of Support for a grant for Woodside Elementary
- ~~CA 33 Motion to authorize final rendition of Exhibit to Resolution 2008-01, Hailey's Sewer Service Extension policy as revised by council during its January 28, 2008 discussion of the policy~~
- CA 34 Motion to approve Resolution 2008-02, authorizing signature of grant application for Friedman Memorial Airport AIP 33 grant of \$830,700 to be utilized for procurement of snow removal equipment and building maintenance
- ~~CA 35 Motion to approve minutes of January 28, 2008 City Council Meeting~~
- CA 36 Motion to read the 2nd Reading of Ordinance 1001, Zoning Ordinance Amendments, by title only
- CA 37 Motion to read the 2nd Reading of Ordinance 1002, Subdivision Ordinance Amendments, but title only
- CA 38 Motion to approve treasurer's cash report for the month of January, 2008
- CA 39 Motion to approve Annual Payroll Report for calendar year 2007, to be submitted to State Insurance Fund
- CA 40 Motion to approve Street Finance Report for Fiscal Year 2006/2007, and authorize mayor to sign

CA 35 - Approval of January 28, 2008 city council meeting minutes. Carol Brown submitted typos to the clerk for corrections. Rick Davis corrected page. 50, middle paragraph to read "Mayor Davis advised it's good to have a policy but he thinks like annexations the policy should be a little vague and that's good". **Burke moved to approve CA 35 as amended, Keirn seconded; Motion carried unanimously.**

CA33 Haemmerle explained that he pulled CA 33 because he cannot vote to approve any extension of sewer services and wanted the record to reflect that he is not voting to approve any sewer policy. **Keirn moved to approve CA 33. Burke seconded; Motion approved with 3 in favor and 1 opposed. (Haemmerle)**

MAYOR'S REMARKS

Rick Davis, Mayor announced that Heather Dawson, City Clerk/Treasurer has accepted the position of City Administrator. Davis recognized Diane Shay's last meeting and wished her luck in her new endeavors.

PROCLAMMATIONS & PRESENTATIONS

Mayor Davis Proclaiming Teen Dating Violence Awareness and Prevention Week

This proclamation is being presented one week later than other cities and will extend it one week due to the cities meeting schedule.

Mountain Rides Transportation Authority Executive Director's Quarterly Report

Jason Miller, Executive Director gave an update on Mountain rides and transportation efforts. Miller explained the new vision, mission and goals of the Mountain Rides Transportation

Authority. He talked about the schedule of service and showed council the tremendous 70% ridership growth. The Hailey Free Zone has doubled. Commuter van pool is up to 4 full routes. The commuters from outside the county will soon have 7 routes. Miller asked the council members to be bus users and to keep transportation in mind always and help them to figure out growth. Dawson, City Administrator advised council that 16 passes have been issued to city employees.

Hailey Chamber of Commerce Executive Director's Quarterly Report

Jim Latta and Jim Spinelli presented information pertaining to the quarterly report and the Contract for Services that was signed on December 20, 2007. Jim Latta presented the Chamber's accomplishments in website development and economic development. They are currently working on several sites for the Visitors Center and revitalizing the ongoing events and working with local businesses. There is free advertising on SunValley online for members. The Chamber is meeting with the Sun Valley Merchants Association to help promote business throughout the valley. They have produced a radio jingle that was purchased with LOT funds. They have a program promoting the 58 companies that support the LOT taxes regardless if they are members of the Chamber. The jingle is available to all the businesses.

Blaine County Housing Authority Presentation

Jim Fackeral presented information pertaining to blaine County Housing Authority's reorganization from 5 to 7 members. He appreciates the appointment of Hailey's representative, Anna Mathieu, to the board. They are working on priorities, updating needs assessment, and areas of residency. They are updating and rewriting the community housing guidelines. Don Keirn thinks prequalification is a very good idea. Brown commented on getting these listed under multiple listing services. He said they are working on this and gaining progress, and have learned that 38% of households are not interested in buying deed restricted units. Davis recommended the council go on the BCHA website and review the report

APPOINTMENTS & AWARDS

Appointment of City Treasurer

Brown moved to appoint Becky Stokes as City Treasurer; Burke seconded; the motion carried unanimously. Becky Stokes took oath of office administered by Rick Davis, Mayor.

Appointment to Hailey Arts Commission

Brown moved to appoint Melissa Graves Brown to Arts Commission. Burke seconded; the motion carried unanimously.

Historic Preservation Commission 3-year term

Davis had no new nominee at this time. Davis would like to reappoint Joan Davies to the HHPC. **Brown moved to appoint Joan Davies to another 3-year term. Burke seconded; the motion carried unanimously.**

Adoption of Resolution 2008-03, setting HHPC Commissioners & Terms

Burke moved to adopt Resolution 2008-03 setting HHPC Commissioners Terms. Brown seconded; the motion carried unanimously.

PUBLIC HEARING

Application for final plat approval of Quigley View Condominiums, currently Lots 1, 2 and 3, Del Norte Apts (6th Avenue)

Incomplete final plat for community housing agreement. This will be available prior to meeting on February 25th. Diane Shay, City Planner asked to continue item to February 25th. **Don Keirn moved to continue application for final plat approval to be continued to next city council meeting February 25th. Burke seconded; motion carried unanimously.**

Application for final plat approval of Tannerwall Townhouses, currently Lot 3A, Block 61, Woodside plat #15 (2540 Winterhaven Dr.)

Brian Yeager presented for Galena Engineering. Yeager is in agreement with everything in the staff report. There were no comments. Diane Shay, City Planner advised that the plat has been approved by the hearing examiner. Davis opened the meeting up to the public. No comments **Keirn moved to approve final plat of Tannerwall Townhouses, currently Lot 3A, Block 61, Woodside plat #15 (2540 Winterhaven Dr.) Including all conditions (a-g). Burke seconded; motion carried unanimously.**

Application for final plat approval of Woodside Elementary P.U.D. Subdivision (3600 Woodside Boulevard) and approval of amended PUD agreement.

John Gaeddert & Mike Chatterton presented. Gaeddert advised that the preliminary plat application was heard by the Hailey City Council on September 12, 2005 and approved with conditions. The District has recently decided to amend the original preliminary plat with two changes.

- The proposed road to the residential lots has been straightened out so that there would be less disruption to the adjacent hillside lying east of the road.
- The preliminary plat proposed 6 sub-lots with 2 additional sub-lots lying east of the proposed road for "future development". The amended plat proposes 2 less lots. Dropping 1 set of duplexes allowed them not to make any additional hillside cuts and move the units a little further from the school side building.

Diane Shay, City Planner noted changes on pg. 2 of the staff report. Ned Williamson, City Attorney and Shay meet with representatives of the district. They were in agreement that the final plat and preliminary plat are not that much different because they are reducing the density and not cutting into the hillside, however, they left it up to council to go back to P&Z and delay approval of the plat tonight if need be. Shay pointed out that Jay Webb Hearing Examiner did review the Woodyard Place which is a small three lot subdivision on the corner of Winterhaven and Woodside Blvd and there is a scenario that in order for them to reach their park dedication requirement that they would be increasing the size of lot 2 with the Woodside Elementary PUD subdivision. Davis asked how this would be amended in the PUD Agreement as far as increasing Lot 2. Williamson said there is a procedure for a lot line adjustment and the council would need to see the amended PUD agreement. At this time Davis opened the meeting up for public comment but there were no comments. Carol Brown would make the 3 corrections suggested and add a condition allowing amendment to Lot 2 and the lot line adjustment subject to city approval.

Brown moved to approve the final plat approval of Woodside Elementary P.U.D. Subdivision (3600 Woodside Boulevard) and the amended PUD agreement, noting that the final plat must

substantially conform with the preliminary plat, with conditions (a-h) as shown in the staff report modifying condition (a) the 1st bullet to read the water and sewer line should be moved into the proposed right of way; adding a condition (I) amendments to Lot 2 using the lot line adjustment process relative to the Parks dedication only and requiring city approval of such, and finding that this final plat does substantially conform to the approved preliminary plat. Burke seconded; the motion carried unanimously.

Motion to amend PUD

Brown moved to modify the amended PUD such that the final plat must substantially conform with the preliminary plat approval, allowing 2 additional sub lots and re-aligning the road. Burke seconded; the motion carried unanimously.

Application for final plat approval of Hailey meadows Condominiums, currently Lot 5, Block 1, East Hailey Meadows (614 ½ Fourth Avenue South)

Bruce Smith, Alpine Enterprises presented. This has been through the hearing examiner. The only conflict is on the 2nd page of the report. It is a life safety issue. It says they must have addresses rather than unit number. He would like to keep them a,b,c & d. Fritz Haemmerle clarified that no campers are allowed and the letter in packet that has nothing to do with them. Staff and council had nothing to report. Don Keirn asked Chief Chapman about the address question. Chapman advised that the way it is proposed meets the ordinance. **Burke moved to approve this Application for final plat approval of Hailey meadows Condominiums, currently Lot 5, Block 1, East Hailey Meadows (614 ½ Fourth Avenue South) Plat subdivision attached to the summary conditions a-g. Keirn seconded; Motion carried unanimously.**

OLD BUSINESS

Davis read 2nd readings of ordinance 1001 and 1002

Continued discussion and approval of Spring Canyon Ranch Sewer Services Extension Agreement

Davis recused himself. Burke chaired this portion of the meeting. Carol Brown reported that she had an ex parte conversation with Jeanne Cassell. Cassell contacted Brown and is in support of the facility.

Ned Williamson, City Attorney went over the history following the last meeting. The last meeting left the sewer service agreement with two conditional motions. The first one being approval of the housing plan from Blaine County. The second one is if Croy Ranch is not successful the Spring Canyon Developer would contribute hot spring water to the city of Hailey. Williamson was contacted by the applicant, who felt both conditions were inappropriate. One problem is the feasibility issue. The second is they would need the excess hot water for geothermal heating in their own units. The applicant has previously agreed to donate \$750,000 and improvements to the Bullion Street Bridge. They would also pay a fee for expansion, and pay at time of connection user fees plus 10%. There were two proposed modifications to the agreement that were submitted. They would have a right to connect on preliminary approval of county commissioners. Williamson was told this could happen in the next month. The 2nd modification suggested that the 2nd condition be deleted and \$250,000 donation be made to Hailey Ice Rink in place of hot water. Williamson has drafted an agreement with 3 changes, the first one being a minor correction showing 116 units. The 2nd change is for community housing. The applicant has the right to

connect after approval of the county commissioners. The 3rd change is the revision of paragraph 11, contribution to Hailey Ice. Within 7 days of county commissioner's approval the donation will be made. Williamson suggested just before approval the word preliminary should be added.

Haemmerle said that this is the first draft agreement he has seen with a price. He has a council packet dated January 14, 2008 and the proposed draft is in there. There is no price in that agreement. The public has not seen the differences in agreements. He then described the price established in the Peregrine Sewer Services Extension agreement as 4 million dollars, including \$2.75 million for cash and \$1.3 million for land. That agreement was later amended to only \$1.3 million for land. Haemmerle said the city allowed Mr. Rinker to walk with \$2.75 million dollars even though that was a negotiated price.

Haemmerle's said his big concern is the developer coming before the city with this list of amenities they are willing to give the city and it appears to Haemmerle is that we've lowered the price. He said that it seems we are subsidizing the gifts that they are giving the city. Williamson clarified the December 20, 2007 meeting by saying we have to keep in mind that the present agreement talks about 116 units or lots and there is an expansion fee of \$3,500 per lot that works out in the amount of \$406,000. In addition the bridge expansion will cost approximately \$1 million. The developer is also paying \$750,000 to connect. All of these things are coming out of the developer's pocket. It adds up to over \$2 million and with the \$250,000 it would be significant sum of money being paid. Williamson said that those are the true figures.

Mark Meyers, developer of Spring Canyon Ranch spoke and understands that the issue of price and value balancing out to make sense to the citizens is very important. He heard loud and clear from Council that there needed to be a benefit to the citizens of Hailey, however, he was surprised to see the hot water issue attached to the agreement. He spoke with Jeanne Cassell and there is a large concern. They feel Hailey Ice is important and would be a good contribution to the city. He explained that he wants to see this happen. He feels this agreement would be great for the residents of Hailey. Meyers is hoping we are at the point where we can move forward with this.

Barry Luboviski spoke and explained that they are well in over \$2 ½ million dollars. He said that Haemmerle's numbers are way off. He knows they cannot do the hot water. They called Keefer to find out what the city needs. Keefer suggested a contribution to Hailey Ice. After preliminary approval from the county, Luboviski would like the city to acknowledge the county approval in writing. Luboviski reported that if he were sitting on council he would be proud of this agreement.

Becky Keefer, Parks Project Coordinator and member of the Parks & Lands Board spoke. She reiterated all that Croy Canyon was giving the city plus the donation of \$250,000 for Hailey Ice. Keefer is very appreciative.

This hearing has not been noticed as a public hearing but Burke opened the floor up to the public for their comments.

Ron Fairfax residing at 102 Cochise and representing Hailey Ice spoke. Dr. Fairfax told council that he is not for or against this project. He did comment that a \$250,000 donation to the Hailey Ice Park would go a long way.

John Stevens residing at 521 White Tail spoke briefly about cost. He said you have to look at everything they have to do for the City and County.

Wendy Pabich residing at 613 N 4th Ave thinks the city needs more. She is troubled by the public process. She feels this was not a public decision. Pabich pointed out many items in the policy and asked if the public had any voice on what is a concern. She feels exclusionary building practices are brought into this.

Rod Kegley residing at 107 Coyote Bluff in the County said he has been against the city selling services without a policy and a plan. Kegley asked how this affects the waste water treatment plant. He brought up the Rinker agreement and the fact that the city backed out of it. He went on to say that a sewer plant is not the answer to our human waste and septic systems are not necessarily a bad thing. He thinks we need to think a little deeper.

Dick Springs residing at 121 Pumpkin Center Road in Gannet came to support Hailey Ice. He thinks it is important to support the community where the kids are locally.

Becky Stokes residing at 617 3rd Ave N. talked about the Salmon Ice Rink and advised that Hailey Ice could be a big thing in this community.

Andrew Liu- 741 Wintergreen When a tournament is up in Salmon they fill hotels and restaurants and he thinks Hailey Ice can generate great business for the community.

Haemmerle asked if he could make an observation. He likes the developer and thinks he means well but said that we have no standards to guide us. We have never extended our services in the past, and said this extension seems to be predicated upon how much the developer can give the city in order to obtain sewer services. There are no guiding principles. We as a community do not need to extend services to obtain money. People give money for no other reason than to give it. There are no principles behind this and government should not be governed by goodies. Don Keirn said that we don't have any guidance on annexations either. He said if we refuse they will build anyway. We won't get anything out of this and we will have a lot of extra sewer capacity that we don't need.

Brown was willing to accept the conditions with the change. The motion made at the last meeting would need to be reconsidered by either herself or Don Keirn. **Brown made a motion to reconsider her last motion at the Hailey City Council meeting regarding the Sewer Services Agreement. Keirn seconded.**

Haemmerle asked for discussion. He talked about a competing report done in 1979 saying that 736 residential and commercial uses could use hot water to heat them. Ned Williamson, City Attorney explained that no testing was done in that report at all. Brockway did testing for the current report and discovered that these figures were incorrect. 500 gallons per minute is what it is. The question was called, and the motion to reconsider carried.

Brown moved to approve the sewer services agreement with the community housing requirement and a change in the housing number from 115 units to 116 units, and a condition of approval that allows for a preliminary approval of the community housing plan by the Blaine County Commissioners and requires, within 7 days of that approval, contributions to Hailey Ice for \$250,000. Keirn seconded; Williamson added that the approval is a preliminary approval by Blaine County and paragraph 11 as well. Keirn seconded; the motion carried with 2 for and 1 opposed. (Haemmerle)

Haemmerle spoke and said the he is against the extension of sewer services, however, he thinks the Croy Canyon Elder Care facility is a worthy cause.

Burke closed meeting for 5 minutes at 7:40pm.

Mayor Rick Davis resumed the Hailey City Council meeting at 7:45pm.

Continued review and approval of alternative deed restriction for Sweetwater

Applicant's attorney is not ready but will be ready for the February 25th meeting. **Keirn moved to approve to continue OB 53 deed restrictions for Sweetwater to the February 25th meeting. Burke seconded; the motion carried unanimously.**

NEW BUSINESS

Fire Chief's Report on funding of e911 Dispatch Center

Recently Jeff Gunter, Police Chief talked with local police on dispatch fees and they are in the process of correcting those numbers. They have already made some corrections. Price per call will change. \$275,000 and \$300,000 billed to Hailey for dispatch calls to Hailey. Hailey will be the majority user, and followed closely by the sheriff's office. Mike Chapman, Fire Chief has concerns how this number has come to be. Currently we have draft numbers. They will be justifying how they come up with the numbers. Davis advised that when the numbers are final we need to figure out how were going to come up with these figures. The formula will be explained. There has been much discussion on what and when a call is a call.

City Clerk's call of special election, and City Council discussion of balloting options

Carol Brown recused herself.

Heather Dawson, City Clerk, advised the council that on January 22, 2008 the Liberty Lobby perfected 4 initiative petitions. The County Clerk has approved the signatures. Davidson has been notified that a special election will be for May 27, 2008 and Council should discuss whether the ballot should be summarized or printed at length. The role of the council tonight is to order the election and decide how to print the ballots.

Williamson recommended the ballots not be summarized. Williamson advised that if the initiatives do not get passed in May it does not repeal the existing initiatives. If they pass there will not be any change; if they fail, there will not be any change. Williamson is doing more research on whether elections should be held on initiatives that bring into law already existing law. Keirn pointed out that a lawsuit would cost more than a special election. Haemmerle wanted to know why we are not considering not putting these measures on the ballot and letting the Supreme Court decide; then there would be case law on the matter. He pointed out that if we keep

accommodating each and every time we will have election after election. He thinks we should consider not putting the measures already adopted on the ballot. Davis would like to put the initiative that didn't pass on the ballot. **Burke moved to establish May 27, 2008 as the election date and to print the ballots in full. Keirn seconded; the motion carried unanimously.**

WORKSHOP

Staff Reports

Dawson thanked elected officials for attending the Focus the Nation event, and informed the council that during a March meeting, Hailey's investment brokers from Piper Jaffrey will make a presentation to the council.

Dawson expressed appreciation for the city's decision to divide the treasurer and clerk positions. Hailey has enough employees and is of sufficient size to make a clear separation of duties, thereby enhancing its internal controls. The job descriptions will be ready for review by end of week. Davis advised that the new hiring structure is expected to save the city \$10,000 a year.

Airport Reports

Martha Burke spoke for the Airport Board. Burke talked about the consultants and representatives that have met with the city and county as separate municipalities. The feasibility study took 18 months to process. Council and Mayor were allowed to question. The County Commissioner, Larry Schoen made a clear argument that he did not want to discuss any airport out of Blaine County. Burke went over a number of sites that are available.

Council Reports

Carol Brown was glad to see the Library Director's Report and was delighted with Bege Reynolds being reappointed to the Library Board. Brown feels the Co-Directors in the Library are doing an outstanding job and they are looking at getting training on personnel issues. Brown was pleased with the Arts Commission appointment and thanked Melissa Brown. Carol Brown talked about phases 2 and 4 of the water report study showing how much water and the quality of water. The most recent report is in comparison from 1960. She believes money is well spent and continues to be well spent.

Don Keirn attended Fly Sun Valley committee meeting this morning. The detractors from the airport are beginning to understand that the Hailey airport will be getting moved or only handling small airplanes. The efforts to get Frontier are not going to go thru this year. They are deciding to look at other airlines because of weather and the fact that Skywest does not go into Twin Falls and only buses to Boise. There have been a lot of problems. The SunValley Company is very upset. Jack Sibach, representing the SunValley Company said a lot of people will not be coming back. There will be a SEIDO Board meeting Thursday. Economic Summit will be taking place. Jim Spinelli, Chamber Director will represent SEIDO and the group.

Mayor's Reports

Mayor Davis said that his main goal is communication and community service and is happy to report that Chief Gunter has been very visible and Chief Chapman is looking at doing fire extinguisher inspections. Dave Ferguson, Building Official now has snow loads on our website and is looking into doing a snow load challenge with high school.

Attorney Report on Sewer Service Extension Policy relative to Bob Erickson's written comments

A four page letter from Bob Erickson was in the council packet. It talked about amending policy if need be. Williamson asked for thoughts and if the council wants to amend it's policy.

Haemmerle commented that this has been noticed as presentation only by Williamson with discussion with Bob Erickson. Haemmerle thinks we should make amendments when it's noticed and public can comment. Haemmerle feels he is not in a position to take a stand. Davis would like some direction to give to staff so they are prepared when presenting to the public. Keirn advised that he has not studied this in depth and referred to Tom Hellen, City Engineer for a technical stand point. Mayor Davis asked Hellen and Williamson to incorporate what they feel is good from Erickson's comments to a rough draft of the extension policy. It will not be on the next agenda. Mayor and Council thanked Erickson for sending in the letter. Erickson commented on communication. He would have liked to know that this was on the agenda. Davis duly noted Erickson's comments. Erickson did point out that #9 explains that there are 28 lots clearly in the city limits and don't need annexation to sewer them up. Hellen explained that we do not have a right of way to put the sewer system in.

EXECUTIVE SESSION

RE: Personnel (IC 67-2345 a/b/d), Pending Litigation (IC 67-2345 f/j) and/or Real Property Acquisition (IC 67-2345 c) Matter from Executive Session or Workshop

Davis motioned to go into executive session to discuss Pending Litigation (IC 67-2345 f/j) at 8:50am.

Council, Mayor, Administrator & Attorney came out of executive session at 9:00pm.

Meeting adjourned at 9:00pm.