

**MINUTES OF THE MEETING
OF THE HAILEY CITY COUNCIL
HELD MONDAY NOVEMBER 10, 2008
IN HAILEY CITY HALL MEETING ROOM**

The meeting of the Hailey City Council was called to order at 5:30 P.M. by Mayor Rick Davis. Present were Council members Don Keirn, Carol Brown and Fritz Haemmerle. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson and City Clerk Mary Cone.

OPEN SESSION:

Susan McBryant spoke to council regarding the green committee formed recently as an extension of the HELP committee. The intent of the committee is to identify and control carbon emissions and promote recycling efforts (reduce, reuse, recycle). They have conducted two meetings with city employees, ERC and the airport. The airport authority has budgeted \$10,000 to pursue minimizing our carbon footprint. The new committee will begin by identifying the current carbon footprint. In order to do this, McBryant asked council if the Green Committee could use the baseline software purchased by the City of Hailey. McBryant will also go to Blaine County to ask for their support as well.

EXECUTIVE SESSION:

Motion made by Keirn to go into executive session regarding imminently likely litigation IC 67-2345.f/j at 5:32 pm, seconded by Brown, motion passed with role call vote.

Mayor and council returned to the City Hall meeting room at 5:58 pm.

CONSENT AGENDA:

CA 398	Motion to authorize final reimbursement request for Woodside Central (Keefer) Park – LWCF Grant and to close out the grant	1
CA 399	Motion to authorize payment to Sustain Blaine Economic Development study in the amount of \$3,000, as budgeted.....	11
CA 400	Motion to approve and authorize execution of revised 7th Amendment to Joint Powers Agreement, following revisions made to the previously approved 7th Amendment (Oct 27) by Blaine County Commissioners (Nov 6)	13
CA 401	Motion to authorize release of \$7,598.76 retainage for Countryside Traffic Signal to Power Plus, Inc	21
CA 402	Motion to approve Findings of Fact and Conclusions of Law Final Plat for Eye Center Condominiums	25
CA 403	Motion to approve City Council meeting minutes of October 27, 2008, and to suspend reading of them.....	35
CA 404	Motion to approve claims for expenses incurred during the month of October, 2008.....	45
CA 405	Motion to approve LOT Report for month of October, 2008	65

Brown and Mayor Davis pulled consent agenda item 403 to make minor revisions.

Haemmerle pulled consent agenda item 400 for discussion.

Motion to approve all other consent agenda items minus 403 & 400 made by Keirn, seconded by Brown, motion passed unanimously.

CA 400 - Haemmerle asked if the airport board was going to consider more than one site. The task of the joint authority board was to be open to more options.

Williamson added clarification. Williamson understands this change was made to initiate the purchase of BLM property known as proposed site 10A. The joint powers agreement did not have the authority to purchase such property, so Lubo suggested that this language is general. This would not necessary preclude looking at other sites, added Williamson. Rick Baird, in the room, nodded in agreement with Williamson.

Rick Baird – Friedman Airport manager spoke to council. This agreement was altered because BLM purchases require certain documentation. The joint powers agreement allowing for purchase of the BLM land needed to be more specific.

Brown asked if another joint powers agreement would need to be signed if another site (other than 10A) would be the optimal choice. The other two potential airport sites are privately owned. BLM thought this agreement needed to happen now in order to move forward with other stages. Baird acknowledged that yes in fact the joint powers agreement would need to be amended to pursue purchase of another site.

Haemmerle asked if we were at a point where we can single out one site. Baird replied that this is the preferred site of the board but not of the FAA EIS study. If somewhere down the road, Baird added, the BLM site is not the preferred option, then the joint powers agreement would need amending again. The BLM process takes about 2 years. The county felt it was necessary to focus on one site at this time.

Keirn thinks this makes sense.

Haemmerle is concerned that it does not recommend all possible site locations.

Brown is in agreement with Haemmerle. Brown is more comfortable with being less specific.

Angenie McCleary, a Blaine County Commissioner, spoke to council. She feels that the Blaine County Commissioners feel strongly about this language even though she cannot speak for them directly.

Haemmerle thanked McCleary for the explanation she gave.

Mayor Davis asked Williamson to revise this agreement according to council's concerns.

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Angenie McCleary gave another reason for the sense of urgency in signing this document. Rick Baird clarified that this is a way to save time in dealing with the BLM. The board and the FAA realize that if another site is selected, then this agreement can be omitted.

Brown and Haemmerle are willing to move on knowing that their remarks are on the record and that they do not believe this site is the final choice for the airport relocation.

Brown moves to approve CA 400, the revised seventh amendment to joint powers agreement, seconded by Keirn, motion passed unanimously.

CA 403 Motion to approve City Council meeting minutes of October 27, 2008, and to suspend reading of them

Brown pointed council to page 42 in the packet, old business, OB397 – Jim Thomas instead of Tom Bowman in this paragraph.

Mayor Davis revised minutes page 43, Tom Hellen and Don Keirn will attend the Indian Creek Initiative meeting not water meeting.

Motion to approve CA 403 as amended by Brown, seconded by Keirn, motion passed unanimously.

NEW BUSINESS:

NB 406 Consideration of payment to Blaine County for dispatch AND Issues pertaining to Blaine County Dispatch Service to Hailey and discussion of ECC Mediation

Mayor Davis asked Jeff Gunter about the 911 service we received from the county last month. Gunter told him that the service has been satisfactory. With this Mayor Davis stated that we would move forward and issue the first payment to Blaine County for dispatch services.

Brown received a phone call from Angenie McCleary regarding the 11/19 meeting, asking for all parties to sit down and discuss the dispatch service. Brown states that this is an opportunity for everyone to discuss the issues at hand.

Brown spoke with Martha Burke, (not present tonight) and she is all for having this discussion.

Mayor and council are all in favor of having this meeting on Nov. 19th.

Brown then led the discussion on the ECC Mediation. This ECC Mediation is non-binding, and no chance for rebuttal. Mayor Davis feels that if we are going to have a meeting then he would like it to be a formal meeting.

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Brown is in agreement with Keirn and Mayor Davis that they are hesitant in getting involved in a mediation that is non-binding. Haemmerle feels that the ECC meeting may hamper the true mediation process.

Brown and Haemmerle believe that discussions with the county need to be made prior to considering the ECC mediation.

Angenie McCleary thanked council for being open to attend the Nov. 19th meeting. All cities, emergency providers, and the county are invited, including the public.

Haemmerle believes that the parties that are being asked to pay for dispatch services should be present – not necessarily the users group.

Rick Baird representing the City of Carey has one concern regarding the mediation letter he received. The city of Carey is not being asked to pay at this time but they would like to be present at the discussions regarding dispatch.

Brown wished Commissioner McCleary a happy birthday.

PROCLAMATIONS & PRESENTATIONS:

PP 000 BC Comm Angenie McCleary - presentation on formation of policies dealing with juvenile status offenders

Angenie McCleary spoke to council with no formal presentation. McCleary summarized what was reviewed. They are meeting this Thursday 11/20/08 at noon in the Jury Room at Blaine County. Discussions led attendees to ask about including all cities in this review process of policies and procedures. Including training officers to handle juvenile offenders and allowing them to stay at home with parents. If that juvenile needed transport from Snake River, in the past this was paid for by the Sherriff.

Haemmerle asked about the criminal justice council. This was a good forum to discuss these types of matters because judges are present. Now these topics are being discussed with urgency. Today we do not have any formal work program that judges can refer to.

McCleary stated on a positive note, many solutions were proposed during this first meeting. Jeff Gunter had many good ideas at this meeting, added McCleary.

Mayor Davis asked Gunter to keep he and council informed.

PUBLIC HEARINGS:

PH 407 Water Storage Tank Loan Close-out Resolution 2008-18, authorizing Hailey officials to close the State Revolving Fund Loan with DEQ and enter into a 20 year promissory note to the Idaho DEQ State Revolving Fund for payback of 2.4 million indebtedness

Dawson let council know that DEQ has allowed the city to move forward.

Williamson pointed out; the question at hand is what do we do with the balance?

Dawson suggested it might be prudent to hang on to this reserve and release these funds at the end of this term.

Williamson suggested that holding on to this reserve would allow for a buffer if water rates do not pay for themselves, we would have this as a reserve.

Mayor and council are all in agreement, they want to retain these funds.

Motion to approve Resolution 2008-18 made by Keirn, seconded by Haemmerle, motion passed unanimously.

PH 408 Proposed draft Hailey/Blaine County Area of City Impact (ACI) Ordinance, establishing an area of city impact, providing for an application of plans and ordinances for the area, delineating four areas within the Area of City Impact, each with general requirements, and addressing annexation, governing plans, notified notification and meetings between the City and County (continued from Oct 27, 2008)

Beth Robrahn opened with reviewing items 1-4 and later Jeff Adams will review item 5. These were the 5 objections raised by council in the October 27, 2008 meeting. The first objection - requiring consent from a neighboring city prior to annexation of property. Robrahn suggests to remove Bellevue from having consent over Hailey annexations.

Brown thinks there may be a better way to communicate between municipalities.

Removing the language will improve communication between Hailey and Bellevue, Williamson believes. Williamson will give this more thought and bring the ideas back to council in a future discussion.

Robrahn addresses item 2 (impression that the ordinance requires a sewer and water district.

Haemmerle does not want to extend water and sewer services outside the city limits.

Brown and Keirn agree with the recommendation of staff which is to extend water and sewer services beyond the city limits.

Item 3 (objection to mandatory PUDs), staff recommends that these are encouraged but not required.

Jeff Adams clarified. The items are included in the ordinance and are more specific for each of the zones.

Brown points to the west zone. These are additional standards on top of the county's PUD.

Item 4, applying subdivision standards to properties in the A zone. It was not P&Z's intent to apply these standards in the A zone. None of the specified standards for the other zones would be applied in the A zone.

Jeff Adams handed out to council the latest numbers from the census and addressed item 5, growth on the borders. Adams discussed densities before and after the Blaine 2025 study. Total estimated potential in the proposed Hailey ACI – 494-556 units. In acreage 1.55 units per acre, Hailey would need 2472 acres by the year 2025. Blaine County needs a total of about 6000 acres by 2025. In accounting for all the cities ACI areas, this would still leave the county short approximately 3,000 acres. Adams suggested that ACI agreements should be broad.

Brown believes a workshop is a good idea so that council can air their concerns.

Robrahn asks council how we can increase the density in desired areas.

Mayor suggests that we should meet with the county to discuss these items and voice our concerns.

Kelly Jackman with Citizens for Smart Growth spoke to council. Jackman asked that a workshop be scheduled and allow for public to attend. Jackman is for increased density in the City of Hailey.

Robrahn suggests Dec. 9th for the workshop. Mayor Davis is booked that night. Robrahn asked council if they were available in early December.

Mayor Davis thanked Jeff Adams for attending these council meetings and being available for questions.

Robrahn will notice the workshop for public hearing when a date is finalized.

PH 409 Proposed draft ordinance adopting a map identifying the Area of City Impact within the unincorporated area of Blaine County delineating four areas within the Area of City Impact (continued from Oct 27, 2008)

PH 410 Consideration of proposed amendment to Cutters Annexation Agreement, extension of Security Agreement beyond one year, with requirements for a new letter of credit or other security, and issues related to dedication of hillside open space parcels

Mayor Davis recused himself from this conversation.

Carol Brown took over the discussion in the Mayor's absence.

Keirn would like to have all council members present. Williamson asked that the security agreement be addressed prior to the next meeting because it will be expiring soon. Haemmerle is okay with proceeding in Burke's absence.

Williamson pointed to a memo in the packet page and summarized the items that council needed to focus on tonight. Lot sales in Cutters subdivision have not been as desired. Because of the slow moving lots, there is a request from the applicant to change certain aspects of the annexation agreement. Williamson spoke with the applicant's attorney, Jim Speck and city staff. Williamson and staff suggested that the lot 73 be given to the city if the annexation agreement is amended.

Williamson pointed to a letter received today and that council received just prior to tonight's meeting. This letter is regarding Indian Creek water rights. Security Agreement was entered into for completion of certain improvements. This agreement needs to be revised; details are spelled out by Tom Hellen which is in tonight's packet. Final plat should have been recorded by January 2008. It has not been recorded to date. Williamson suggests that this plat needs to be recorded.

Jim Speck on behalf of Old Cutter's subdivision speaks to council on the security agreement. There is approximately \$30,000 left to be done. They are happy to get a letter of credit for this additional amount.

Speck spoke to the annexation fee schedule next. As of the end of December 2008, they have sold 13 properties. The applicant thought that at least 35% of the lots would be sold at this point. The applicant does not have money to pay the annexation fees at this time because of the slow sales of this development. The first payment due under the current contract is December 2008. Speck hands out to council the actual CPI numbers for the past few years. Applicant wants to replace the annual payments with payments as properties are sold. The 3.3 million dollars would be paid once 67% (or 92 lots) have been sold. The interest factor is different, 2 ½ % accruing on the \$50,000 balance from November 2007. The other option is to take the current CPI and calculate this each time a property is sold.

Haemmerle asks what risk the developer is taking in the new agreement. It seems that there is no risk proposed in the new agreement.

Lot 73, Speck pointed out will not be given to the city because they have not met the terms of this agreement. Speck believes this is a lot to ask for. The applicant is incurring more debt than anticipated.

Haemmerle clarifies that the client wants to remove the deadline on his commitment. The city risks lot 73 but the applicant has an open ended payment schedule with the proposed agreement.

Parcel A and parcel B are to be conveyed to the city. Applicant originally was going to convey Parcel A to land conservation; the city wanted this property and told applicant that they would see the same tax benefits by giving it to the city. This property is zoned RGB. Applicant asks the city to rezone it as LR, applicant takes the tax write off, then the city rezones back to RGB.

John Campbell the applicant spoke to council and addressed his comments to Haemmerle. Campbell paid a consultant to determine the impact of this development to the city.

Williamson is not aware of any written or verbal agreements of parcel A & B.

Dawson summarizes that risks that the city takes when doing annexations. Tax roles are still agriculture for this property until the final plat is recorded. Once the plat is recorded the city would see increase tax dollars because of the subdivision development. Hence, the city is losing out on tax dollars here as well as not getting the annexation payment from the applicant.

Point 2 by Dawson, without cash flows, we lose an opportunity to partner with developers because of the market slow down. The city is missing an opportunity as does the applicant.

Haemmerle makes a motion to extend the existing security agreement for one year, seconded by Keirn, motion passed unanimously.

Haemmerle brings up a few points regarding the proposed fee scale. The existing agreement factored into consideration payment on lot sales or time. Now continued, Haemmerle, there is no risk by the developer. Haemmerle would like to renegotiate the percentages and timeframes instead of going to an open ended agreement. Haemmerle does not like the proposal in discussion tonight.

Keirn agrees with Haemmerle. Keirn believes a schedule should be built in to this agreement. Keirn would like to renegotiate the potential for acquiring lot 73 during this consideration.

Brown agrees with both council members. Brown believes that some risk should be put on the developer.

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Haemmerle believes these properties should be conveyed without conditions.

Keirn does not understand why these have not been conveyed.

Brown remembers some discussions regarding rezoning but no agreements, verbal or written to rezone for reason of conveyance and tax write offs.

Motion to continue the Cutter's discussion to Nov. 24th meeting by Keirn, seconded by Haemmerle, motion passed unanimously.

PH 411 Consideration of South Woodside area license agreement with area business owners

Mayor Davis returned to the meeting.

Tom Hellen pointed out that this license has been reviewed and amended by Williamson. Hellen noted that snow storage would not be part of this agreement because some business owners have more property than others. In order to be fair to all business owners, there is a limitation of storing snow in a 5 foot area on the business owner's property. This license will allow business owners to use the city right of way for parking and other temporary use that would not impede city access to the water trunk line.

Tom Kauder of 930 Forest Bend agrees with the terms in this license and thanked council for it.

Bob Wiederrick of 1120 Quigley Road asked about the snow storage limitation.

Hellen clarified the rationale for not allowing for snow storage on city property. It would not be fair to one business owner to be allowed to store snow and not others. It would be very time consuming and not fair to all area business owners.

Mayor Davis adds that if any snow gets placed in the city property, then he wants to know why everyone could not store snow there.

Hellen adds that it gets to be a finger pointing game if one person stores snow here.

Williamson will modify the times on the license everyday on a temporary basis.

Haemmerle makes a motion to approve this as amended, seconded by Keirn, motion carries unanimously.

OLD BUSINESS:

OB 412 Motion to read 3rd reading of Ordinance 1016 by title only, an amendment to Section 6.1, of Hailey Subdivision Ordinance No. 821, which would establish noticing requirements for Lot Line Adjustment applications AND authorize the mayor to sign

Motion by Haemmerle to authorize third reading and allow Mayor to sign, seconded by Keirn, motion passed unanimously.

OB 413 Motion to read 3rd reading of Ordinance 1017 by title only, an amendment to Section 4.2.1 of Hailey Subdivision Ordinance No. 821, which would make this section consistent with the amendments related to sidewalk infrastructure requirements previously adopted by Ordinance 1001 and Ordinance 1002 AND authorize the mayor to sign

Motion by Brown to authorize third reading and allow Mayor to sign, seconded by Keirn, motion passed unanimously.

NEW BUSINESS (Continued):

NB 414 Hailey Arts Commission requests approval of its concept for a public art project, presented by Mark Johnstone and Tracy Anderson

Tracy Anderson spoke to council. In the interest of time, presenters will forego showing the clip. Anderson proposed having art attached to a track allowing for changes and also flexibility if city hall were to ever relocate. Anderson spoke to a strong sense of place; remember who we are and where we came from. This project can preserve and communicate this sense of place. Anderson believes that this is important in showing optimism.

Mark Johnstone added that this would be the first mural art project undertaken by the Arts commission. Johnstone gave an overview of the process and steps involved in selecting art work for the mural including the goals of the project. The Arts Commission would assemble a panel, select 3 artists then view proposed art from these artists, select an artist and suggest the artist to the council.

Anderson shares the goal of this coming summer for hanging the artwork. In the meantime, donations would be pursued as well as potential for grant monies.

Dawson addresses Mayor Davis' question around in these economic times how would this be viewed? Based on the Art Ordinance adopted in February 2008, there are already \$5,000 in funds available to move.

Brown added a phrase "family friendly" to this art collection; make sure this is appropriate for all ages to view.

NB 415 Discussion of utilizing excess fund balance from the Fox Building Bond fund for maintenance and improvements of the Fox Building, including a public art component of up to 10% of the remaining funds

Mayor Davis suggests replacing the HVAC, part of the awnings (on South and West side), city hall sign repair, accordion divider for city hall meeting room and elevator upgrades. This will allow for another \$5,000 to be given to the Arts Commission.

Dawson suggests that these funds be moved to the general fund.

Motion made by Haemmerle for \$10,000, seconded by Brown, motion passes unanimously.

Motion made by Keirn to move fund balance to general fund for Fox building maintenance and improvements, and transfer \$10,000 to the Public Art fund, seconded by Brown, motion passes unanimously.

NB 416 Water Rates discussion with city engineer Tom Hellen

Hellen summarizes the process and steps involved in setting the water rates. Hellen asks if there is anything else the council would like to see considered when setting these rates annually. Does council want Hellen to reduce rates in the near future? Hellen explains variable expenses to council.

Mayor Davis is a proponent for raising the rates for highest users.

Haemmerle points to SPF Engineering's study stating that research must be conducted to determine where the high usage is, it cannot be automatically associated with the water users. It could be leaks in the system.

Hellen will take council's comments and work on this over the winter.

Council is concerned with the high volume use of water in the Blaine County Schools.

NB 417 Canvass of November 4, 2008 Election, and discussion of issues related to election

Mary Cone reviewed with council the election results.

After canvassing, Brown comments that the October 29th advertising by the Government.Regulation Reduction Committee (Bob Wiederrick) is incorrect. The advertisement refers to a "stealth tax" in Development Impact Fees. Brown identified many communications made regarding the Development Impact Fee, including 9 public meetings, 9 newspaper articles as well as articles in Our Town/Our Earth. Brown wanted to make sure everyone is aware of the number of communications that were made by the city prior to making this ordinance and that it was in no way a "stealth tax" as suggested by Wiederrick's advertisement.

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STAFF REPORTS:

Hellen and Keirn attended the Indian Creek Initiative meeting as council is aware by the email that was sent with an update. Also, Hellen is working with the county to remove the water flow restriction (to reduce the chances of flooding in Northridge).

Hellen attended the Tree Committee meeting last Thursday. There will be a proclamation in the next council packet. Upcoming at Keefer Park will be an Arbor Day Celebration next Wednesday to replace one tree that did not make it. Then Hailey will be able to apply for "Tree City USA" status.

Croy Street pedestrian crosswalk lights are not working. Hellen contacted the manufacturer of the system; they suggested that the battery is not holding a charge since we purchased it and then it sat in storage for awhile before getting installed. Hellen will look into buying a replacement battery for the crosswalk.

Jeff Gunter called area businesses regarding Election Day liquor sales restrictions. Gunter asks council if they would like the city code to be in line with the state law. They would like it changed to mirror the state statutes.

Gunter announced that Hailey has been identified as a host city for the Special Olympics.

Gunter summarized the reason for Angenie McCleary's presentation tonight. Gunter does not have this in his budget to pay for juvenile transport. The county has always paid for this in the past; Gunter is unsure why now they are asking Hailey to reimburse the Sheriff.

With no more business the Mayor adjourned the meeting at 9:42 pm.

Rick Davis, Mayor

Mary Cone, City Clerk