

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, JANUARY 12, 2009
IN THE HAILEY TOWN CENTER 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, Martha Burke, Carol Brown and Fritz Haemmerle. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson and City Clerk Mary Cone.

CONSENT AGENDA:

CA 003	Motion to approve Special Olympics Torch Run – Special Event on February 4 th , 2009 from 10:15 to 11:40 am from Wood River Middle School to Wood River High School	1
CA 004	Motion to approve BCRD 2009 Pond Hockey Classic – Special Event at Roberta McKercher Park on 1/18/09 from 9 am to 5 pm.....	11
CA 005	Motion to ratify Mayor’s signature on the letter of support to the Idaho Transportation Coalition re: FY2010 5309 Grant for Buses and Vans for Mountain Rides Transportation Authority	17
CA 006	Motion to approve Motion to approve taxi license renewal for 2009 – New Business, Miller’s Limo Taxi	19
CA 007	Motion to approve mayor’s signature on letter encouraging Southern Idaho Solid Waste District to analyze benefits and impacts of increased plastics recycling programs	23
CA 008	Motion to approve Fire Protection Contract with ITD relative to rights-of-way and authorize Mayor to sign	25
CA 009	Motion to authorize signature of Easement Agreement with Rinker for Toe of the Hills access	39
CA 010	Motion to accept donation for public art in Hailey, and to approve establishment of a fund for collection of such donations	57
CA 011	Motion to approve City Council meeting minutes of December 22, 2008 and to suspend reading of them	61
CA 012	Motion to approve claims for expenses incurred during the month of December 2008 including dispatch payment for having received no decline in service for the prior month	69
CA 013	Motion to approve treasurer’s cash report, including LOT report	85

Items pulled from the Consent Agenda: CA 006 was pulled by Chief Gunter, Williamson pulled CA 009 as did Dawson, and Mayor Davis pulled CA 011.

Motion to approve all other items from the Consent Agenda made by Haemmerle, seconded by Keirn, motion passed unanimously.

CA 006, Gunter anticipates approving the taxi license in the next few days and asked council to approve it.

Motion made by Brown to approve Miller’s Limo Taxi License, seconded by Burke, motion passed unanimously.

CA 009 Williamson received an updated agreement from Brian Ballard (which is signed by Harry Rinker) over the weekend, Williamson stated that they made minor changes and that he is okay with them.

Haemmerle makes a motion to approve the Toe of the Hill Trail Agreement, seconded by Burke, motion passed unanimously.

MAYOR’S REMARKS:

Mayor Davis comments that overall revenues are down at the City. In two weeks council will see ways that we can help mitigate the economic downturn as Davis is working with staff, Heather Dawson and Becky Stokes on the budget.

PROCLAMATIONS & PRESENTATIONS:

PP 014 Proclamation declaring first week of February “National Teen Dating Violence Awareness and Prevention Week”

Mayor Davis read the Proclamation to council.

APPOINTMENTS & AWARDS:

AA 015 Appointment of Planning and Zoning Commissioner, replacing recent vacancy

Mayor Davis recommends Mark Johnstone for the position in Planning & Zoning Commission

Motion made by Brown to nominate Mark Johnstone to the P&Z position, seconded by Keirn, motion passed with Haemmerle voting against.

AA 016 Appointment of Parks and Lands Board Commissioner and Re-appointment

Mayor Davis recommends to council the re-appointment of Kathy Noble to the Parks and Lands Board.

Motion made by Burke to re-appoint Kathy Noble to the Parks and Lands Board, seconded by Keirn, motion passed unanimously.

AA 017 Re-appointments of HHPC board members, Taylor Walker, Ben Schepps, and Rob Lonning

Mayor Davis asked council to consider re-appointing Taylor Walker, Ben Schepps, and Rob Lonning to the Hailey Historic Preservation Commission.

Motion made by Burke to re-appoint Taylor Walker, Ben Schepps, and Rob Lonning to the HHPC Board, seconded by Brown, motion passed unanimously.

PUBLIC HEARINGS:

PH 018 Discussion of Hailey’s role in relocated airport sponsorship

Mayor Davis asked Rick Baird with the Friedman Memorial Airport to speak regarding the airport sponsorship. Baird recapped the past recent meetings with the Hailey City Council; the sponsorship 101 presentation was given in one of the meetings. The presentation gave an overview of roles and responsibilities of a sponsor. The FAA originally gave this presentation to the neighboring communities in January 2008.

Mayor Davis asked how council felt about being a potential sponsor of the new airport. Hailey City Council has appointed Council member Martha Burke to be on the Blue Ribbon Committee to help the County figure out what the new governance board would look like. Davis feels that Hailey should be

supportive of Blaine County but not be an actual sponsor because of the potential monetary responsibilities if the airport does not operate in the black.

Haemmerle asked for clarification. Haemmerle does not want to be a sponsor but wants to be a part of the governance. Haemmerle is not sure regarding governance if they have all the information necessary to make a decision regarding how Hailey would like to be involved (if at all) in any governance.

Keirn believes it should be a county airport, run by the county with guidance from a governance board with representatives from all jurisdictions.

Mayor Davis feels that Tom Bowman is looking for an answer on sponsorship. Burke added to Mayor Davis' statement.

Burke stated that today's Friedman Memorial Airport Authority as it is constructed today will continue to be the governance model until such time that this airport ceases to exist as an airport. At that time, this new governance model will take over. The Blue Ribbon Committee is being formed to look at possibilities for a new county owned airport, run by this new governance board, Burke concluded.

Brown thanked the Mayor for letting the public have a chance to comment on this topic as she feels this input is vital and their silence speaks volumes (they don't want us to move forward with being a sponsor in the new airport).

Brown made a motion that the City of Hailey not become sponsor of the relocated airport but that we continue to remain sponsors at our existing airport, seconded by Keirn, motion passed unanimously.

Haemmerle added to Brown's motion, that the ultimate governance is still wide open, Brown amended her motion, motion seconded by Keirn, motion passed unanimously.

PH 019 An application by Old Cutters, LLC for final plat approval of Rimrock Cottages, Old Cutters Subdivision (940 Myrtle Street East), a 7 unit townhouse subdivision

Williamson received a call from Jim Speck; attorney for Old Cutter's and asked that this item be continued to the February 9th meeting.

Haemmerle makes a motion to continue this item to the February 9th meeting, seconded by Keirn, motion passed unanimously.

PH 020 Old Cutters, LLC Rimrock Cottages Phasing Agreement

Haemmerle makes a motion to continue this item to the February 9th meeting, seconded by Keirn, motion passed unanimously.

PH 021 An application by Idaho Capital, LLC for final plat approval of Lots 15A & 15B, Birdwood Subdivision, located at 911 Silver Star Drive, Hailey

Brown recused herself from this discussion because this property is in close proximity to her house.

Mayor Davis asked if he should recuse himself now that there is a new owner of this property. Williamson clarified and asked if he was doing any title work for the new owner. Mayor Davis replied no, he has never done any work for Idaho Capital, LLC. Williamson stated that he did not need to recuse himself.

Beth Robrahn, Hailey Planning Director gave council an overview of the conditions. The preliminary plat was approved by council on August 18, 2008 with several conditions of approval which have been met or have been carried over to the final plat. In this situation, Robrahn continued, the owner will need to meet these conditions before the final plat can be recorded. They will have one year to record the final plat once it has been approved. The preliminary plat was submitted by Bulloti Construction. Since the preliminary plat approval the property has been purchased by Idaho Capital, LLC.

Williamson added that the neighbors have filed a district appeal to this preliminary plat decision. But they have not sought a motion to stay the proceedings. The applicant has legal right to pursue the final plat. The applicant did not actually purchase the property but they are the legal owner and have the right to proceed.

Brian Yeager with Galena Engineering spoke to council on behalf of Idaho Capital LLC. Idaho Capital, LLC is the current owner of this property. The owner is currently seeking entitlement for a two lot subdivision. However, the owner would like the council to give full entitlement with flexibility of not extending sewer services through to lot 15B in the future (as they do not want to build on the 2nd lot a residential structure. Also, the current owner would like to have council authorize a gravel surface instead of asphalt surface on the driveway. The asphalt driveway was one of the conditions of approval in the Design Review process.

Williamson pointed council to page 139 in the packet, section regarding infrastructure requirements as outlined in Section 5 of Hailey Subdivision Ordinance. Williamson recapped that one of the main issues prior to council's decision was access to this back property. The requirements are a critical component of this approval; Williamson believes it has to be done. Williamson is not prepared to address the asphalt driveway situation as this is the first he has heard of this request. It is Williamson's belief that the applicant pursued an asphalt driveway. Yeager concurred with Williamson's statement regarding the asphalt driveway. The driveway was not specifically discussed was very important and there was a lot of discussion about it.

Hellen added that in the past there have been exceptions for temporary gravel all weather surfaces as access into different subdivisions with the understanding that they would submit a bond and do the asphalt in the future.

Jamie Coulter of 320 West Cedar Street spoke to council. Coulter has been working with Jim Sieller regarding this topic. Coulter was wondering what the infrastructure costs would be as required - what the bonding amount would be. Coulter indicated that he thought the existing house never received a Certificate of Occupancy. Coulter would like to see the applicant post a bond for this infrastructure work. Coulter has an action in front of the court appealing the decision for approval of this application.

Yeager clarified that the design of the structure in the original application has not changed. However, the owner would prefer to do the infrastructure at the time of the building permit so that the owner has time to market the property.

Burke asked where the culvert is in relation to the driveway. Yeager pointed to the spot on a map.

Keirn restated that the second lot may not ever be built on, Yeager agreed.

Williamson added that this is challenge because a future owner may not feel that a gravel driveway is sufficient.

Robrahn also added that the purpose of the conditions and the final plat are to ensure that the infrastructure is completed as agreed to.

Robrahn gave the applicant the option to revise the plat but they chose to keep it the way it was.

Yeager stated that the owner would accept the council's decision to approve the final plat as it is. Yeager added that the owner would prefer that the second lot be "considered" unbuildable.

Haemmerle is not in agreement with making any changes to the conditions, as is Keirn.

Keirn makes a motion to approve the final plat of 15A-15B of Birdwood Subdivision with conditions A-H, seconded by Burke, motion passed with Burke and Keirn, Haemmerle voting no and Brown recused.

PH 022 An application by the Idaho Army National Guard for the vacation (abandonment) of a portion of Cedar Street, located between Third Ave and Fourth Ave and between Blocks 125 and 136, Hailey Townsite

Robrahn introduced this item to council, stating that this is a unique situation in that the city owns one side of the street and the Armory owns the other. The National Guard/The State of Idaho are requesting this vacation to meet Federal anti-terrorism requirements. The existing Armory is partially in the right of way. This vacation would in a sense "clean up" this situation. It is recommended that we maintain a public access on Cedar Street. The State is agreeable to keep this portion of Cedar Street open to pedestrian and vehicle traffic. If the council wants to proceed with this staff would prepare an ordinance, deed and easement for your consideration and approval.

Williamson explains to council, that the statute indicates that the split does not have to be divided 50% to 50%, this request is asking that breakdown though.

Brown asked for clarification on the vacation. Hellen stated that it is just South of the centerline. This would be an undivided interest, the city would be a 50% owner and the Armory would be a 50% owner.

Lieutenant Colonel Gussenhoven with the Idaho National Guard is a Construction Facility Management Officer and lives at 1600 East Vickery Road, in Boise Idaho spoke to council. Gussenhoven brought with him today a civil engineer from his Boise office and will speak to council later in the meeting.

Gussenhoven explained as stated by Robrahn, that this request is for an undivided one-half interest in this land to both parties. The National Guard wants to help out in every way they can. If given this

vacation it would allow them to have the required 33 feet distance from pedestrian and vehicle traffic and also allow them to utilize appropriated State and Federal funds to clean up the street right of way. He currently has a project amount of \$995,000 which will support changes to the armory and the area outside.

Brown asked if bollards are part of their improvements to this area, Gussenhoven confirmed that parking bollards are a part of the plan. Gussenhoven thanked city staff for facilitating this process, as they have been very helpful.

Brown asked who would take care of the area; Gussenhoven indicated that they would help take care of this area.

Robrahn clarified for council that this application is only for a vacation of the property. There was a separate Design Review application submitted.

Haemmerle asked how this would impact our special events at McKercher Park and parking. Gussenhoven responded that parking would still be available on Cedar Street.

Brown wondered if this vacation opens the city to any additional liability. Gussenhoven indicated no and stated the statute to which it applies (Title 46 Chapter 700).

Haemmerle would like to see a written easement agreement, and quitclaim deed.

Tony Evans reporter from the Idaho Mountain Express asked what changes they are proposing to make the Armory safer.

Major Doug Warner with the Idaho National Guard residing at 5418 South Pegasus Way in Boise, Idaho spoke to council on behalf of the Armory, and stated that they need to shift the sidewalk 6 feet out from the existing road (which is about at today's centerline of the street) so that no access can be within 33 feet of the building.

Burke stated that with the proper agreements, it sounds positive to both the city and the Armory.

Haemmerle agrees with Burke on a conceptual level. Haemmerle wants to be sure there are funds available. Gussenhoven stated that this is not a "dangling carrot" there are funds set aside for this construction at the State of Idaho.

Keirn is satisfied with what he has seen today. Keirn feels this is positive for the City.

Brown would like to see the documents together and approve them all at one time.

Robrahn added that they could direct staff to prepare these documents at the next council meeting, and continue the public hearing to the next council meeting.

Motion made by Brown direct staff to prepare these documents and continue the public hearing to the next council meeting seconded by Keirn, motion passed unanimously.

OLD BUSINESS:

OB 023 Motion to conduct 3rd Reading of Ordinance 1023 AND authorize the Mayor to sign - A city initiated text amendment to Article 14.6 of Hailey Zoning Ordinance No.532. to add criteria for rezones to Business, Limited Business and Transitional Districts

Motion made by Burke to authorize Mayor to sign and conduct 3rd Reading of Ordinance 1023, seconded by Keirn, motion passed unanimously.

OB 024 Motion to conduct 3rd Reading of Ordinance 1024 AND authorize the Mayor to sign - A city initiated text amendment to Article 2, Definitions of Hailey Zoning Ordinance No. 532 to add definitions of Community Housing Unit, ENERGY STAR, Leadership in Energy and Environmental Design (LEED) Green Building Rating System, curb cut, and drive-through facilities

Motion made by Burke to authorize Mayor to sign and conduct 3rd Reading of Ordinance 1024, seconded by Brown, motion passed unanimously.

OB 025 Motion to conduct 3rd Reading of Ordinance 1025 AND authorize the Mayor to sign - A city initiated text amendment to Article 8.2, Signs of Hailey Zoning Ordinance No. 532 to establish hours during which portable signs can be displayed and allowing for the immediate removal by the City of signs that pose a public safety hazard

Motion made by Burke to authorize Mayor to sign and conduct 3rd Reading of Ordinance 1025, seconded by Keirn, motion passed unanimously.

NEW BUSINESS:

NB 026 Resolution for fees to be collected at the sale of community housing, to sustain the Blaine County Housing Authority, and discussion of contract for services with BCHA – terms and expectations

Anna Mathieu introduced Kathy Grotto and Nathan Fierman to council. Kathy Grotto is the new Executive Administrator of BCHA. Anna Mathieu and Nathan Fierman are both BCHA board members.

Kathy Grotto reviewed the Blaine County Housing Authority presentation. Grotto gave an overview of the past year highlights and discuss future plans. Included in the presentation is an overview of collaboration with ARCH, funding for community housing and review the proposed Resolution which is in the council packet today.

In 2008 the BCHA conducted a rewrite of their guidelines, completed 2008 compliance monitoring, co-developed the first Community Housing Continuing Education class for realtors, developed employee housing guidelines, upgraded application requirements (including contacting existing applicants in their database) and assisted in matching a buyer for ARCH. Also, in 2008 BCHA began marketing Quigley View Community Housing units.

Grotto focused next on the BCHA's 2009 strategy, including growing the applicant database, education and advocacy, acting as a clearing house for purchase and rentals as well as an educator and advocate for potential applicants.

Grotto added that BCHA have a few objectives including, increased customer service and response, and improving the applicant database. Grotto clarified roles that ARCH would take and BCHA would support. Areas where ARCH would take the lead on include development and construction of housing units, originating proposals for funding and creating new programs that take advantage of the current housing market.

Grotto then reviewed the BCHA funding; last year's budget was \$244,000 versus current budget of \$203,000. This new budget does include the \$6000 from the City of Hailey which is down from the previous year of \$12,000. The BCHA went from 3 Full Time Equivalents (FTE) to current 1.75 FTE. Grotto is the .75 FTE.

Grotto then reviewed the proposed Resolution for Administrative fees on deed restricted house sales; 3% fee on income deeds and workforce deeds at 3% or if realtor is involved (representing the seller) 2% fee.

Nathan Fierman of Indian Creek Road spoke to council on behalf of BCHA. Fierman wanted to clarify to council what other municipalities in the Wood River Valley charge for fees.

Heather Dawson added that there are currently 92 units available in the valley, 25 additional ones in Cutters soon to be coming on the market.

Fierman added that if all of the existing houses sell in Hailey (ones marked as Community Housing) then it will be about \$20,000 income to BCHA.

Dawson summarized to council that based on the BCHA's numbers, the 29% of Community Housing units make up approximately 29% of units in the entire Wood River Valley which would be about 10% of their \$203,000 budget.

Mayor Davis asked if BCHA became self-sustaining then they would not ask for future contracts for services from municipalities. Fierman agreed but added that the current applicants in their database would not provide enough for their current budget.

Williamson clarified for council that the reason we are considering a resolution is that in Old Cutters and Quigley View Condominiums, their deeds state that the fees for Community Housing Units must be set by a City of Hailey Resolution.

Williamson reviewed the existing Community Housing units available and ones that are scheduled to be available in the various developments, including Sweetwater, and Old Cutters. Williamson recapped prior council discussions where he suggested either a 3% fee or fixed fee. Williamson added that no decision was made in the prior meeting discussions. Williamson then gave pros and cons of the options, stating that the fixed fee could be potentially less income. Williamson added that there may be some flexibility in the percentage fee, asking either 2% or 3%.

Mayor Davis restated his position in prior meetings; he is for the 3% fee.

Dawson gave additional background for council. They ran calculations based on the average price of units and turnover every 5 to 7 years to determine if that would bring in revenue to BCHA which exceeded 29% of their budget. It did not, added Dawson.

Williamson clarified that the fees should represent the service provided.

Haemmerle is not excited about either of these options, but can be compelled to support this because he does not see any other ways to generate income for the BCHA.

Brown is fine with the percentage. It is a way to fund BCHA and shifting the burden from the City of Hailey. Brown is fine with the proposed Resolution.

Fierman spoke again to council and let them know that he is a realtor with McCann, Daech and Fenton.

Mayor Davis is impressed with the BCHA's goals presented tonight.

Brown is encouraged with the new BCHA team.

Williamson would like to add a paragraph to the Resolution prior to council making a motion.

Brown makes a motion to continue this discussion to the next meeting January 26th, seconded by Burke, motion passed unanimously.

Fierman proposed that Williamson could draft the contract for services

Mayor Davis called for a 5 minute recess at 7:24 pm.

Mayor Davis reconvened the meeting at 7:28 pm

NB 027 Report from Fire/Water Departments on ISO rating process concluded

Carl Hjelm with the Hailey Fire Department gave council an overview of this rating stating that the former rating was a 4 and the new rating is 4. Hjelm added that the Hailey Fire Department has conducted many hours of training and improved other services but all of that was countered by the fact that there is no Fire Truck in South Woodside. The best rating is a 1 and worst a 10.

Mayor Davis asked Hjelm what it would take to get a better rating. Hjelm read from a letter from Doug Young (letter is in tonight's packet). Hjelm suspects that the current number of firefighters should be better distributed among the city. That is the best interpretation they can make.

Mayor Davis thanked Hjelm for the work that he and the other Fire Department personnel have done in this area.

WORKSHOP:

Mayor Davis read by title only the 3rd Reading of Ordinance 1023.

Mayor Davis read by title only the 3rd Reading of Ordinance 1024.

Mayor Davis read by title only the 3rd Reading of Ordinance 1025.

Hellen gave council an update on snow removal beyond what was on his letter in the packet. They are in the process of cleaning up streets and intersections around the schools. Tuesday 1/13/09 they will begin cleaning up Hiawatha and Mother Load Loop areas, pushing back snow. Hellen is going

to ride one night with the snow plow crew and extends the invitation to any council members wishing to do the same.

Robrahn handed out materials to council for tomorrow's ACI council meeting with Blaine County. Robrahn stated that the new information is on the first page. Tomorrow's meeting is at 5:30 at the Old Blaine County Courthouse upstairs meeting room, lead by County Commissioner Larry Schoen.

Dawson gave council handouts for an IMAP meeting scheduled for Wednesday January 14th.

Brown enjoyed the 2008 year end Police report, it was very informative. Brown spent time with the Hailey Police and the Dispatch. Brown will put together a summary for council and feels that she has some great suggestions from these experiences. Brown thanked the Mayor for setting up the sessions with the Police Department and the County Dispatch Center. Lastly, Brown wants to ride with the snow removal crew to learn what they do. Hellen will arrange this for her.

Keirn will be spending time with Dispatch when he returns from his recent trip. Keirn attended the Sun Valley Alliance meeting; one of the discussion points was Minimum Revenue Guarantees year-round. Keirn went to Sustain Blaine meeting last week. The awaiting reports from consultants were not in, so the meeting was cut short. One of the discussion points was Minimum Revenue Guarantees year-round.

Burke added a point regarding Keirn's comment on Sun Valley Alliance. Burke indicated that when a new airport is a reality and can support bigger aircraft, other airline carriers are interested in moving into our market. But now the problem is that they cannot fly a normal sized plane into our current airport. This explains the need for Minimum Revenue Guarantees and impresses the need for us to move quickly.

EXECUTIVE SESSION: Pending & Imminently Likely Litigation (IC 67-2345.f/j)

Keirn makes a motion to go into Executive Session citing IC 67-23453f/j, seconded by Haemmerle, motion passed unanimously.

Mayor and Council went into Executive Session at 7:45 pm.

Mayor and Council returned from Executive Session and with no other business Mayor Davis dismissed the meeting at 9:05 pm.

Rick Davis, Mayor

Mary Cone, City Clerk