

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, JANUARY 26, 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 031	Motion to approve Findings of Fact and Conclusions of Law – Final Plat approval of Lots 15A & 15B, Birdwood Subdivision, located at 911 Silver Star Drive	1
CA 032	Motion to approve Public Art Guidelines as submitted by the Hailey Arts Commission	13
CA 033	Motion to approve Idaho Commission on the Arts Grant Application for the J.C. Fox Building Mural project and authorize the Mayor to sign	25
CA 034	Motion to approve Special Event venue change for the already approved Springfest Arts and Crafts Fair – Hailey Chamber of Commerce now want to have this event at the Community Campus same time & date ...	67
CA 035	Motion to approve City Council meeting minutes of December 22, 2008 and to suspend reading of them	69
CA 036	Motion to approve City Council meeting minutes of January 12, 2009 and to suspend reading of them	77
CA 037	Motion to approve City Council special meeting minutes of January 5, January 8, and January 15, 2009 and to suspend reading of them.....	89
CA 038	Motion to approve claims for expenses incurred during the month of December 2008 and January 2009.....	111

Haemmerle pulled Consent Agenda item 031.

Motion to approve all other items from the Consent Agenda minus CA 031 made by Brown seconded by Burke, motion passed unanimously.

Haemmerle wanted to clarify that during this public hearing he voted against this item and he would like the findings to reflect as such. Williamson responded that the preliminary plat reflected Haemmerle’s vote against but it was not included in these findings. Williamson will make the appropriate change.

Motion to approve item CA 031 as amended and authorize the Mayor to sign made by Burke, seconded by Keirn, motion passed with Brown abstaining.

MAYOR’S REMARKS:

MR 039 Budget plan for fiscal year

Mayor Davis reviewed budget analysis in the council packet.

Mayor Davis asked City Administrator Heather Dawson to review Reserves and Cash needs. Dawson displayed a document for all to view while she spoke. Dawson explained that although our expenses exceed the budgeted amount, we have capital funds to cover this shortage. We do not have plans to spend this reserve but it is there if needed added Dawson.

Dawson handed out revised Budget figures prior to council meeting which included a recently adopted Purchasing Procedure to help curb spending. The intent is that the new policy will make the process of spending funds more challenging and thereby reducing spending on non-critical expense items.

Mayor Davis thanked City Clerk Mary Cone and Heather Dawson for putting the Purchasing Procedure Policy together.

Brown thanked Mayor and staff for putting together this document.

APPOINTMENTS & AWARDS:

AA 040 Appointment of Planning and Zoning Commissioner, replacing recent vacancy by Mark Spears.

Mayor Davis gave an historical overview of the Planning and Zoning Commission seat. Mayor Davis recommends to council appointment of David Lloyd to the vacant position.

Motion made by Burke to nominate David Lloyd to the Planning and Zoning Commission position, seconded by Keirn, motion passed unanimously. Haemmerle feels that this nomination was more informative by the fact that the Mayor called Council members prior to tonight's meeting to discuss the nomination. Haemmerle suggests that in the future more communication regarding nominations such as this one is welcome.

PUBLIC HEARINGS:

PH 041 An application by Blaine County School District for final plat approval of Wood River High School PUD Subdivision. The current legal description of the property is Tax Lots 7729, 7821, and 7824, located near Fox Acres Road, within the General Residential (GR) district. The plat would create 4 lots. This project received preliminary plat approval on November 26, 2007, subject to conditions and received a one (1) year extension on December 8, 2008

Mayor Davis handed over the item to Planning Director Beth Robrahn to give the overview. The preliminary plat was extended to December 2009. The final plat and the conditions are before council in tonight's packet. Robrahn turned to the applicant for comments.

Mike Chatterton of 314 3rd Avenue North spoke on behalf of the School District (Chatterton is the School Business Manager). Chatterton points out condition item B. He believes that the parking is an issue on the Fire Lanes during special event nights such as football games. Chatterton stated that they are happy to paint the Fire Lanes but they want to know that the city will enforce the no parking on this street. Chatterton sees this parking as an issue and would like to see city enforcement on the parking issue.

Mayor Davis brought this item back to council for deliberation.

Brown and Burke agree with Chatterton and would like to see enforcement on this parking as well as a comprehensive education and rollout of this restricted parking area.

Gunter added that Howard Royal in the past has notified the Police Department of potential parking issues and asked for leniency.

Chatterton makes a suggestion, he would like to also get help from the city on the chip seal needs that they have. Chatterton asks council and staff if this is possible. Hellen commented that they have had poor luck with private contractors and chip sealing. Hellen is happy to help the school with their chip sealing needs.

Brown makes motion to approve final plat Wood River High School PUD subdivision with conditions A-I, seconded by Burke, motion passed unanimously.

Gary Stivers asked a question of the Mayor. How will the enforcement change on Fox Acres road? Response by Mayor Davis was that the curbs will be painted red and signage will be placed in this area.

PH 042 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 (continued from January 12, 2009)

Williamson opened by giving some background from the last meeting. Tonight's meetings purpose is, if acceptable, to perform the first reading of the vacation ordinance then in later meetings (after the 3rd Reading); council will consider the Quitclaim Deed and the Access, Utility and Parking Easement. The Easement would be signed by the State prior to council accepting. Williamson is waiting on a title report to determine who owns what; he does not anticipate that once he finds this out that it will change anything. He merely wants to be sure he has all information necessary prior to going through with this vacation. Williamson pointed out on the site plan map in council's packet the water line and sewer line that he has just received the legal descriptions from Tom Hellen. Williamson will be preparing a separate document for the water and sewer lines for the 3rd Reading of the Ordinance.

Brown asked council to refer to page 173 in the council packet, regarding the agreement. Williamson is referring to a separate document not the Access, Utility and Parking Easement Agreement. Brown asked Williamson if he is confident that he has all the information necessary in these documents for street access. Williamson confirmed yes.

Lieutenant Colonel Gussenhoven of 1600 East Vickery Road, in Boise Idaho spoke to council on behalf of the Idaho National Guard Armory. Gussenhoven is glad we went through this process, because it uncovered some important facts. They would have built something over the sewer pipe because their maps did not indicate this infrastructure.

Burke sees this vacation benefits our community and feels this area is improved as a result of the vacation.

Haemmerle agrees with Burke and adds that this is a rare opportunity for a vacation.

Burke moves to approve Hailey Ordinance 1026, vacation for a portion of Cedar Street and conduct the first reading by title only, seconded by Haemmerle, motion passed unanimously.

Mayor Davis conducted 1st Reading of Ordinance 1026 by title only.

OLD BUSINESS:

OB 043 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 (continued from 1/12/09 meeting)

Williamson asked council in the last meeting a chance to revise this document. He has done so. This draft introduces the administrative fee that will be paid to the Housing Authority. Williamson added language for In-Lieu fees, a 3% Administrative fee of the gross sales price or 2% if a realtor is involved, in the draft. As for the In-Lieu fees we will follow the BCHA guidelines.

Kathy Grotto with BCHA spoke to council. Grotto thanked council for bringing this discussion forward to this meeting. Grotto met with Williamson and Robrahn and suggested that there be a reference in the document to the BCHA fees. In lieu fees are set by the Blaine County Housing Authority guidelines. Grotto stated that the Hailey Resolution should refer to the BCHA guidelines and re-assess this annually so as to incorporate the most current information.

Mayor Davis asked Williamson about a contract for services with BCHA. Williamson stated that it is in the works with BCHA. Grotto also answered Mayor Davis' question, stating that they hope to have a contract in front of council by the first meeting in February (2/9/09).

Haemmerle asked a question regarding the in lieu fees. Can BCHA change these fees? Williamson confirmed that they can but they (Hailey) are discussing doing an annual review of fees as Grotto indicated. Haemmerle is not fond of the idea of referring to another document for fee structure.

Motion made by Keirn, seconded by Burke, motion passed unanimously.

Resolution 2009-01

NEW BUSINESS:

NB 044 Discussion regarding Consolidated Dispatch Services

Burke page 185 in packet recommends that everyone look at this document, and have Angenie McCleary Blaine County Commissioner answer any questions.

McCleary thanked Council member Burke for all the time and effort she has put into this topic. McCleary reviewed the table in council's packet page 185. McCleary asked council if this is acceptable to them. This model is based on current dwelling units (electrical hook-ups) in each municipality added McCleary.

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Mayor asked if the equipment lease was paid for in the collection of the \$1 per line fee already in place. McCleary clarified that the \$1 per line charge currently is a shortfall of \$70,000. McCleary stated that if in the future there is a surplus, those funds could be utilized to partially fund the equipment lease. The county has been doing a lot of work to reduce E911 expenses to pay for this \$70,000. McCleary stated that the county plans on paying this \$70,000 fee in addition to the \$402,030 already committed to. McCleary closed by stating that the county if needed to it can pay this \$70,000 out of their general revenue.

Brown asked McCleary to talk to why the county does not believe that they should help pay for the non-emergency calls referenced to in council's packet page 185. McCleary states that the county feels that the amount they are funding is approx. 32% of the calls. McCleary added based on the numbers – approximately 15% of the calls are emergency calls, so the county offering to pay 6 dispatcher salaries is more than fair in their (County Commissioners) eyes.

Williamson asked McCleary if the employee benefits have increased since the last figures were reviewed. McCleary said no. McCleary felt that this should be 43%, so if this document states 45%, this may need to be corrected.

Williamson asked to speak with McCleary at a later time for clarification on these numbers. McCleary agreed to meet with Williamson, it was not determined when though.

Haemmerle states that this is a huge step in the right direction. Haemmerle believes that the county has an obligation to pay a portion of the non-emergency calls. Haemmerle asks how the stair step to the \$147,000 fee would look like. Haemmerle states that it comes down to affordability. What is the County's participation in the non-emergency portion of the chart in the packet – instead of 0%?

Burke is amazed and feels that this proposal is on the right track. Burke understands Haemmerle's concerns but appreciates the county's willingness to fund 6 dispatchers. Haemmerle adds that all municipalities currently pay the county to fund the dispatchers.

Keirn wants to know what other municipalities feel about this funding model.

Brown reviewed one of the principals that the council wanted to see is that it must be sustainable and affordable. Hence the stair stepping approach, a way to eventually get to the number on this model added Brown. McCleary stated that they are looking at reducing the Director's salary to help the budget constraints.

Haemmerle wondered who would be responsible for drafting these documents – possibly a joint powers agreement. Brown responded that Williamson would work with Blaine County's attorney Tim Graves. Maybe this is a joint powers agreement or Memorandum of Understanding added McCleary.

Brown complimented our dispatchers on their work as she observed them handling several emergency situations one Saturday afternoon. Brown learned that the equipment is great and creates a reduced dependency on personnel. McCleary added that the County is currently

looking at ways to reduce the E911 expenses to find relief – referring to the \$70,000 in the model chart on page 185 of the council packet.

Brown asked for council to give a little direction to her so that she can move forward in working towards a solution with the County.

Haemmerle points out that if one entity cannot support this model then we are starting at square one with affordability. McCleary added that they need to have support from all jurisdictions. The formula is fine but is this really a potential solution asked Haemmerle. McCleary feels that the next steps would be to go to the other municipalities and ask their thoughts on this plan. Brown is happy to help present this model to the other jurisdictions. McCleary restates that Ketchum and Sun Valley would like to know what the stair step model would be – include the numbers that you (Hailey City) are proposing.

Brown will get a plan laid out by working with Dawson.

Haemmerle and Burke are in agreement with this model.

McCleary feels that the county paying for approx. 40% of the dispatch calls is more than generous.

Mayor Davis thanked Brown and McCleary for working together to find a solution. Davis points out that if one entity drops out then we have to pick up the slack with the remaining players.

Brown asked for a straw vote from council. Keirn is on board. Haemmerle likes the number and we should pursue this number. We are the first entity to state the support of this model. Burke is okay with this model.

Brown will get in touch with McCleary with details on next steps.

NB 045 Discussion on Wastewater Treatment Plant master plan

Dawson opened with this discussion by giving an overview of who is working on this plan. An article ran in the Idaho Mountain Express on January 16th was followed by an Express editorial on January 21st. The issues raised in these two articles are very complex added Dawson. The City of Hailey has developed a communication strategy as a way to inform our citizens of these complex issues and steps that the City is taking to resolve them. Tom Hellen will speak to the Master Plan strategy a little later. Dawson pointed council to a press release sent to all news agencies – which gives substantive figures and capacity of our current Wastewater Treatment Plant. Dawson refers to a timeline for implementation for various action items related to this master plan.

Haemmerle would like to see discussion in a council meeting prior to a press release. More specifically, council needs to be given a history of the plant and future needs prior to responding to a press release.

Burke clarified that as an example, the capacity is not the issue; it is treatment which was misrepresented in the newspaper article.

Haemmerle feels that discussions need to take priority over press releases.

Dawson clarified that the document in tonight's packet and the document handed out prior to tonight's meeting – communication strategy timeline. Dawson proposes that council discuss this topic in detail tonight.

Brown asked to hear Hellen's comments. Hellen confirmed that it is a treatment issue not a capacity issue. Hellen stated that the council adopted a policy in February 2008 which addresses a number of these issues. Hailey's permit expired in year 2006. Hailey believes that there were discrepancies in the first EPA / DEQ reports which may have inflated the requirements. Hailey has been working on this issue since 2003. The EPA is willing to have conversations with us, added Hellen, to work through this report. As time goes on and Hailey continues working on this master plan, the treatment limit will continue to increase.

Haemmerle feels that we need to be proactive to provide comments on the DEQ reports. The reduction of 94 pounds to 18 pounds is mind boggling, added Haemmerle. We are currently under these limits for potentially 6-10 years, depending on growth. Hellen has a consultant working on population growth numbers and their impact on these limits. DEQ has made some suggestions. There will be a public hearing with the proper 30 day notice. Hellen stated there is an approximate 3-5 year process ahead of us, and a potential bond election near the end of this process to fund this master plan. The phosphorus value under the current permit is 18 lbs per day, our actual phosphorus discharge is 3.5 lbs per day and the new proposed limit is 5.2 lbs per day added Hellen. Brown recapped and asked if it was an advanced filtration system is what Hellen is alluding to. Hellen confirmed yes it is.

Keirn asked what the water quality is of the rivers coming into Hailey from the North. Hellen said this is part of the study that is currently being done. Haemmerle, we plan for the future and we know that we are close to our phosphorus limit, how do we determine how much time we have. Hellen will get the Discharge Monitoring Reports (DMR) to council as soon as he receives them.

Brown agrees with Haemmerle that we should be timely in our comments. Brown is fine with an editorial from the city, but she does not want staff to take the heat for actions of the council.

Burke would like to have this information disseminated to our public because is it vital to understanding where we are in this process.

Dawson has the direction she needs from council.

Lastly, Haemmerle stated that we need to know when these documents are published and comment timely. Hellen will keep informed with this timeline via our consultant.

NB 046 Appeals by Leargulf, LLC of Planning and Zoning Commission decisions relating to Design Review of CSM Building, a new 6,474 square foot, 3-unit commercial building, located at Lot 1A, Block 3, Airport West Subdivision, Phase II (1760 Lear Lane)

Williamson pointed to a brief from the appellant's attorney on page 229 of council packet. There are several issues raised, there are 6 issues that the council should uphold. The 7th issue, page 233 & 234 of packet is a discussion of this topic, regarding whether the requirement for a sidewalk is arbitrary and capricious under the unique circumstances of this property.

Jim Phillips, attorney is representing the appellant. Phillips is concerned with the issue raised by Williamson. Airport West subdivision was a phased plan. The original plan did not require sidewalks. Phillips is in agreement with Williamson, that to require sidewalks of this applicant would be capricious and arbitrary.

Williamson stated that we might need to revisit Ordinance 1001, if council rejects the Planning and Zoning Commission's decision to require sidewalks. Williamson suggests a solution could be a Local Improvement District (LID). Mayor Davis likes the idea of the LID but not for a few years given the current economic state.

Brown states there are some unique circumstances with this application. Brown added that she may be okay with waiving the sidewalk requirement with this application. Brown likes the long term solution of the LID.

Haemmerle is in agreement with Brown as is Burke.

Brown makes a motion to reverse the Planning & Zoning decision to require sidewalks, based on issue #4 in appellants brief and arguments (page 223 of council packet), seconded by Burke, motion passed unanimously.

Haemmerle makes a motion reversing the Planning and Zoning decision to require sidewalks on the basis that the decision was arbitrary and capricious on issue #4 in the appellant's briefs and council's arguments, motion seconded by Burke. Brown clarified that council is upholding all of Planning and Zoning Commission's other six items, so amended added Haemmerle.

NB 047 Wood River Land Trust Presentation by Kathryn Goldman regarding restoration of Lions Park

Kathryn Goldman handed out aerial map of Lions Park to council. Goldman gave a history of the restoration of Lions Park. Goldman summarized that this is not a request for additional funding from Hailey. WRLT would like to keep traffic on the authorized areas and off of the restricted areas. The last task in this restoration phase is to restore public access to this land stated Goldman. In summary, Goldman would like to continue pursuing grants for this project in partnership with Hailey.

Brown asks if they would support an ADA accessible walkway. Hellen spoke on behalf of the Parks and Lands board reporting a discussion by the board in early January 2009. The Parks and Lands Board failed to make a recommendation at that time on this item as discussions broke

down. Hellen has asked Mike McDonald to re-confirm the final plat notes on Croy Creek Ranch.

Brown would feel more comfortable with getting a suggestion from the Parks and Land Board.

Mayor Davis is apt to follow the WRLT's request to restrict access that may potentially interfere with Wildlife.

Goldman added that the WRLT acquired this property to benefit the Wildlife in this area. Goldman pointed to numerous trails on the East side of the property for public use. They are challenged with managing the use to this area.

Mayor Davis asked for council's thoughts.

Brown is okay with no guarantees. Goldman will formally come to council in May 2009 for there approval.

Burke believes this is important to consider. Brown agrees with Burke, communication channels need to be open. Goldman summarizes that the WRLT is trying to support their mission with balance of use.

Mayor Davis feels the council has consensus.

WORKSHOP:

Mayor Davis reviewed the Staff report documents. Council thanked the Mayor for a great letter to Rinker. The Hailey Public Library use is up and Building Department volume is low.

Hellen presented to council that just today he received today from ITD notice for funding Safe Routes to Schools sidewalk in Woodside FY2010. This is for Woodside Elementary, when the school was built, they filled in one of the drainage ditches partially. This funding is to pave that walkway. And to put a speed bump in where this path crosses Glenbrook added Hellen. Finally, the funding is for education stated Hellen. FY2011 application if approved funding would extend the sidewalk on Woodside Boulevard.

Hellen did some calculations for Haemmerle to determine approximately how many more water/sewer connections we can handle, it is somewhere between 1500 to 1600. If at 12,400 population we would be right at the limits edge. If growth is faster than what we've experienced in the past then that would mean 7 years, slower growth would mean 17 years until we reached the limit. The 2010 Census will help us determine how much time we have until we reach that population number within a year or two.

Dawson asked if Haemmerle wanted to see the TMDL report. Haemmerle replied yes he would like to review the report.

Dawson stated that Mayor Davis is hosting the Blaine Leadership meeting here at City Hall on January 28th, 2009 at 9 am. Dawson attended focus group sessions last week with the public and a third party facilitator. Approximately 25 citizens attended these focus groups and they were refreshingly honest added Dawson.

Gunter has a meeting next Friday with the City prosecutor and the Sheriffs office regarding juvenile issues.

Mayor Davis next week Hailey is hosting the country Liechtenstein for the Special Olympics.

Burke will not be at the February 9th meeting. She is leaving early on the 9th to go to Washington to meet with Delegates for the Airport Authority.

Mayor Davis adjourned the meeting at 8:13 p.m. and no motion to go into Executive Session was made.

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

Rick Davis, Mayor

Mary Cone, City Clerk