

**MINUTES OF THE REGULAR MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, MAY 21, 2007
IN THE HAILEY TOWN CENTER MEETING ROOM**

The regular meeting of the Hailey City Council was called to order at 5:30 p.m. by Mayor Susan McBryant. Present were Council members Rick Davis, Martha Burke, Don Keirn and Carol Brown. Staff present included City Attorney Ned Williamson and City Clerk Heather Dawson.

OPEN SESSION

Hailey Fire Chief Mike Chapman read a petition on behalf of Vaughn Palmer in support of a Bellevue/Hailey fire department merger, signed by 25 members. The petition was initiated by the volunteers, and no paid members participated in the petition. Chapman said if they had been able to, they may well have supported it.

Gina Lagargren of 205 East Myrtle said she rides her bicycle year round, and noted a considerable lack of bike racks. She said there is no evidence encouraging people not to warm the globe by driving their cars. More bike racks would support that. Lagargren asked that bike racks be considered in the design review process. City Planner Diane Shay said that is a current element of design review guidelines. Keirn suggested asking existing businesses to put up bike racks.

Mayor McBryant read a letter directed to Stephanie Marvel, Planning and Zoning Commission Chair, asking for consideration of the tower issues in light of legal issues – the greater good at the expense of quality of life. The tower was not shown to any of the public entities who were asked to support the jail facility. Had that been shown and known to have been paramount, she would not have supported the jail in its approved location.

CROY CANYON ELDER CARE FOUNDATION

Mary Jo Helmeke and Don Liebrick were present to answer questions about the Blaine Manor sale, set for county vote the following day.. They distributed some conceptual drawings of the proposed facility. She hoped to solicit city support of the ballot measure to be voted upon tomorrow, wherein the net proceeds of the sale of Blaine Manor would be contributed to this facility. The project would have to undergo fund raising beyond that.

Brown noted that Mary Jo Helmeke is a paid position of non-profit, and asked who will own the facility. Mary Jo said the non-profit would own it. Brown asked how Hailey residents would have an influential relationship with the non-profit. Mary Jo said they could come before management first, and then the board as well. Brown asked how can we insure that the board will remain local. Don said it is a local non-profit, which will probably eventually be split into two boards. We have an obligation to the county to provide a number of beds for people who can not afford the facility. Don said most likely Blaine Manor will close due the county's inability to continue funding it, and this option

allows continued elder care for the type of residents the county subsidizes. Brown asked why the existing site isn't going to be used. Don said the facility wouldn't fit on the site. The size comparisons are 18,000 square feet to 85,000 square feet.

Brown asked what policies can be put on to further restrict the licensure. What is the turnover of Greystone Communities? The presenters didn't know.

Davis asked what the status of the infrastructure grant is. If the building was sold and fundraising wasn't successful, what would happen to the money, and would the animal shelter need to be moved?

McBryant said the city's support would become part of future fund-raising marketing strategies. She agreed with the comment that the county will lose its facility. A community is judged by its libraries and elder care facilities. McBryant said she has not been on the board for 2 years, separated so she could act in her capacity of a city official. Brown was concerned about beds not being provided for more than 10 years. Burke was interested in supporting this, but would like to see a letter addressing some of these issues.

Keirn moved to approve a resolution supporting the sale of Blaine Manor, with net proceeds to be used for the Croy Canyon Elder Care Facility. Burke seconded. Brown wanted to amend the motion to reflect our support with the serious questions we would still like answered. The amendment was accepted by its makers, and the motion then carried unanimously.

PROCLAMATION SUPPORTING FOSTER CARE

Mayor read a proclamation encouraging constituents to support Foster Care.

CONSENT AGENDA

Consent Agenda items 202, 203, 205, 207 and 208 were pulled for further discussion, and Keirn moved to approve remainder and Burke seconded.

- CA 197 Motion to approve Summary of Ordinance 985, Development Impact Fees⁴
- CA 198 Motion to approve development agreement amendments with SGA for Woodside Plat 25 and Plat 159
- CA 199 Motion to approve Final Report and Request for Reimbursement for Toe of the Hill Trails Grant through the Idaho Department of Parks and Recreation
- CA 200 Motion to approve Hold Harmless and Indemnification Agreement with the Blaine County School District for use of the WR High School property for a dangerous fireworks display on July 4, 2007
- CA 201 Motion to approve alcohol beverage license for Pizza, Inc. LLC, authorizing sale of beer and wine
- ~~CA 202 Motion to approve Special Events Permits for Wicked Spud Back Alley parties, with waiver of noise ordinance provisions & waiver of 8-day limit for weekly Thursday events between June 2 August 29, 2007~~

- ~~CA 203 Motion to waive application process for separate Special Event Permit at Wicked Spud for Spudapalooza which would be held on Saturday, Sept. 8, 2007, and to waive noise ordinance provisions for the event~~
- CA 204 Motion to approve Special Events Permits for Holy Tomato! Plant Sale at Zaney's office
- ~~CA 205 Motion to approve Special Events Permits for SVMA Summer Carnival, conditioned upon staff review and approval of application, and to waive provisions of noise ordinance~~
- CA 206 Motion to approve waiver of 8-day limit on special events for Hailey Antique Markets, and to authorize an additional day for set-up during the 4th of July segment of the events
- ~~CA 207 Motion to approve minutes of April 23, 2007, and to suspend reading of them~~
- ~~CA 208 Motion to approve minutes of May 14, 2007, and to suspend reading of them~~
- CA 209 Motion to approve payment of claims incurred during April, 2007
- CA 210 Motion to approve treasurer's cash report for April, 2007

CA 207 Minutes of April 23, 2007

Brown corrected the minutes to state why Brown and Davis had recused themselves. Burke moved and Keirn seconded to approve as amended.

CA 208 Minutes of May 14, 2007

Brown corrected the minutes to show she had left the meeting and wasn't present for the executive session. Davis said he had voted in favor of OB 187. **Keirn moved to approve the minutes of May 14, 2007 as corrected. Davis seconded;** the motion carried with Burke abstaining.

CA 202, 203, 205. Special Events Noise Waivers

Gina Lagergren of 215 East Myrtle said she likes to choose when she gets to listen to music. She did not favor the noise ordinance simply being waived. She wanted a third option, where there is a variance to the noise ordinance with limits. Ken Lagergren encouraged the council to check with legal authority to identify if the council even has the right to waive its noise ordinance. Could the city be sued for allowing sound beyond limits which can cause permanent deafness?

Davis moved to approve the special events permit for the SVMA Summer Carnival, subject to department head approvals prior to the activity. Keirn seconded; the motion carried unanimously.

Davis said things have been changed around at the Wicked Spud so that noise won't be a problem. He was able to carry on a conversation while sitting in front of the stage. Burke said she has heard them every week since its inception. She wanted to approve in the short term, for review. Brown said the city should require an accounting for how much money is raised and where it goes.

Brown moved to approve the Wicked Spud Special Events for 2 Wednesdays, June 6 and June 13, 2007, to be revisited at a subsequent city council meeting, so an

accounting is provided regarding the proceeds for charity. Keirn seconded; the motion carried unanimously.

CA 203 Spudapalooza

Brown did not want to combine this event application with another special event, and said the application process should not be waived. It's a different special event. She did not support waiving the fee. Spinelli said it will require different approval parameters. **Brown moved to take no action on CA 203.** Burke seconded; the motion carried unanimously.

ADVOCATES REQUEST WAIVER OF FEES

Hellen explained that the request for waiver of hookup fee by the Advocates for Survivors of Domestic Violence was a request to waive \$4300. Burke disclosed she had been an employee of the Advocates for many years, and recused herself. Brown said the letter from the advocates says it's a commercial project. Hellen said it is no different than a residential project. Tricia Swartling said all the services are provided for free. The Advocates handle services which could be placed on the shoulders of the city. Brown was intrigued with a contract with services. Keirn said a law enforcement function is served. Davis would be agreeable to do a contract for services, using that vehicle to give relief to the Advocates rather than a waiver of fees. McBryant said she would rather openly fund this service from the police department budget. **Brown moved to continue this matter to June 11, based on this discussion.** Keirn seconded; the motion carried unanimously.

MOTION FOR RECONSIDERATION

Brown moved to reconsider the motion to continue the water and sewer metered rates discussion to June 11. Davis seconded; the motion carried with Davis, Keirn, and Brown in favor.

Dawson distributed information about the budget and cash flow within the water and sewer funds under both the flat rate and current meter rate structures. Hyde explained that there will be an increase in costs over the remainder of the year, utility costs will spike in the summer. Hellen explained that under the flat rate system, we set rates based on equivalent connections. A business with 16 equivalent connections would pay 16 times the base rate. Hellen had provided some rate options, one of which would give no one a multiplier on their base bill. A second option is to change the multiplication factor. The last option is to start raising the rates to extremely high users. Hellen said there are few users that fall into that category, including Balmoral, Sunnyside apartments, and the school district. The sewer issue isn't addressed within these proposals. Dawson added that the sewer rates are importance, because of Hailey's sewer bond requirement to exceed actual expenses by revenue of 125% of the sewer bond amount. The sewer revenue is being billed slightly lower than projections. Burke favored increasing everyone's base rate. Brown liked option 3 the best, where it penalizes people not for the potential but for the actual use. Davis agreed. **Brown moved to continue this discussion to a special meeting set for June 4, 2007, and schedule it as a public hearing.** Keirn seconded; the motion carried unanimously.

AFFORDABLE HOUSING MANAGEMENT

McBryant said some time ago we were given 2 presentations by Blaine County Housing Authority and by ARCH. She has had conversations with Jim Laski about the rising administration costs, adding that Hailey has required developer to build several affordable housing units.

Williamson said he looks at management in broad strokes, not just as property management. We have to come up with a plan for managing the development of units. Hailey, in 2002, set up an agreement wherein a percentage of sales costs went to the Blaine Ketchum Housing Authority. He's explored many other options, including one in which realtors would handle the housing. When we make these decisions, we have to focus on issues rather than personalities. Housing will be developed under one of two types of deed restrictions, one based on income and one based on residency and other conditions that apply. His initial thought was that type of deed wouldn't require as much management, but others think that it will require more. We may want to manage one type of deed restriction but not the other.

Williamson said a question to consider is how much authority do we want to give the Blaine Housing Authority in establishing guidelines. They need to be simplified. He has read a brief challenging a particular application at the county level. The brief says that authority shouldn't be delegated to an Authority. We need to be more involved in the establishment of guidelines, although it is easier to just let them do it. There is a developer in the county trying to fulfill his housing requirement by providing off-site housing.

Diane Shay said she has been involved in the Woodside Elementary School project, of which 2 units belong to us. The school district has been granted its six month extension, which will be up in August. This will be a financial burden on the school district to have to pay new fees. We've agreed that it wouldn't make sense for the school district to operate under one set of guidelines rather than another. The housing authority has been asking for the city's position, but the city council has never discussed this formally. The housing authority had complicated issues, and their target seemed to be moving each time we went to a meeting.

Williamson added, we can continue the contract with Blaine County, who will be requesting an increase from 2% to 3% of sales. Another option is to create a Hailey housing authority. The statutory framework allows housing authorities very broad powers. It allows for the creation of a development component of a housing authority. We could enter into a contract for a non-profit. The involvement of ARCH is a wide-open question. A realtor could do it. A city employee could do it. Another option is to allow a developer to build the housing.

Michael Ruse of the Housing Authority said he wanted to clarify the situation being discussed at Woodside Elementary. It is a very complex transaction, involving Peregrin Ranch and the community housing component. There are very complicated dealings there. Mike Chatterton of the Blaine County School District said he liked the idea of

creating a housing authority to handle the governmental component. The Education Foundation could potentially take over the management. Government agencies can't compete with the private sector in terms of wages.

Jim Laski said he had been on the board of the housing authority for three years. Sweetwater also has a specific interest in housing. The city holds title to the River Street property, a huge opportunity for Hailey to make a statement and get community housing established. The statutes give a lot of opportunity to build housing. His impression of the direction of the authority is not to get into the build-housing mode. That's not where the county will go. The Housing Authority was pressured to go into the open market to purchase land, but the costs of land and interest rates are prohibitive. The city could do it, and could still profit from it. The council must seriously consider creating a housing authority. Hailey is about to accept approximately 60 of the Telluride model housing units. The Authority has to go to a list of pre-qualified people. Realtors can scan the entire community for people who potentially qualify. He doesn't see how that can be more work. With the income restricted units, he too has read the brief filed against the county, and there are huge issues with the delegation of power to the housing authority. You have to be careful in coming up with a plan and consider whether Judge Elgee may overturn it right away. If we go with the Housing Authority you will be following the concept of regionalization. He's not convinced that regionalization is in everyone's best interest. Hailey doesn't have the ability to give Hailey people priority. The guidelines should be directed to Hailey to some extent.

Mayor said a complex issue needs a quick resolution. She saw some benefits to working with realtors. The other options all had some merit as well. Our contract allows us to add specific criteria, one of which is giving priority to Hailey citizens.

Keirn said Hailey should specify who uses community housing developed by Hailey's ordinance. Davis said he will be meeting with a knowledgeable party on Wednesday, and suggested that person may be on the ad hoc committee the Mayor is contemplating forming. Drew Sanford was with the housing authority and now has his own consulting firm.

Brown was most interested in Hailey being involved in development. She said it is important to keep in mind the goal of what we are considering in terms of regionalization discussions. Burke said we have wanted someone else to solve our problems. The time is now – we have to step back and address what we know to be the problem.

Mayor asked people interested in being on the ad hoc committee to contact her.

ORDINANCE READINGS

OB 211 – Burke moved and Keirn seconded to authorize the 3rd reading of Ordinance 984 by title only. The motion carried unanimously.

OB 213 – Mayor read the second reading of Ordinance 986, Rezone of Woodside Parcels by Lido Equities (Copper Ranch)

OB 212 Development Impact Fee Ordinance

Williamson asked the public be invited to comment on this ordinance. Mayor McBryant opened the matter for public hearing; no comment was made. **Davis moved to approve Ordinance 985, and authorizing the Mayor to sign.** Brown seconded; the motion carried unanimously.

WORKSHOP/REPORTS

Spinelli said Blaine County has offered Kevin McMullin a job, he's coming off disability light duty, and the county will swear him in this week.

AIRPORT REPORTS

Burke said the airport runway reconstruction has been done in one month, and Aspen took 2 months to do the same work. She expressed gratitude to the construction company.

Brown said Arts Commission will have its own booth at Springfest

There being no further business, Mayor McBryant adjourned the meeting at 8:00 p.m.