

**MINUTES OF THE REGULAR MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, MARCH 28, 2005
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 Acting City Attorney Rick Allington and City Clerk Heather Dawson.

PROCLAMATION

Mayor McBryant issued a proclamation in support of Company of Fools 10th year.

PRESENTATIONS - Annual Financial Statement

Curtis Stoker introduced the FY 2003/04 financial statements, saying there were many changes in the form of reporting the audit according to new Governmental Accounting Standards. The audit is now more business-like, including fixed assets. He rendered a clean opinion on the City of Hailey's financial statements with no exceptions.

Stoker said he is required to report on compliance and material weaknesses; there are no reportable conditions.

A Management Discussion and Analyses had been prepared by City management and reviewed by the auditor. The Analyses was summarized by Dawson, who explained that with the new form of reporting, it had not been possible to compare to the previous year. However, the ending fund balance of \$1.5 million left the city flush in its budgeting and cash flow needs, as \$975 thousand of the fund balance had been appropriated and another \$450 thousand remains unbudgeted to meet cash flow needs at the beginning of each fiscal year, from October 1 through January 25 when the first large property tax remittance is received by the city.

As Stoker presented the Statement of Net Assets, Mayor McBryant asked what the Total Primary Government refers to. Stoker explained that the Primary Government is the total of business (enterprise) and general government activities. Hailey has no secondary government.

The Statement of Activities shows expenses and revenues by department. The Planning and Building Department revenues exceed their expenses.

Stoker said a \$219,000 street payable can now come off the balance sheets.

Mayor McBryant asked about a stated investment loss with the state treasurer pool of \$28,000. Stoker said interest rates were rising at fiscal year end, and the investments become less in a rising interest rate market. Hailey didn't actually lose that money, but would have if it pulled all its funds from the state pool at the end of the fiscal year.

Mayor McBryant said it has been practice to present the oral report and printed document at the same time. She would like the document in advance next year. Stoker said the draft could be presented to the council earlier.

MATTERS FROM WORKSHOP – E911 CONSOLIDATED DISPATCH

Ketchum City Administrator Ron Leblanc had been unable to attend the joint workshop held between the Hailey City Council and the Blaine County Commissioners, and so had made himself available tonight as the cities' representative on the E911 Board. He introduced Susan Beelah, the interim director of the Dispatch Center, and Ketchum Police Chief Cory Lyman, police departments' representative to the board. Lyman succeeded Hailey Police Chief Brian McNary who served the first year on the E911 Board.

Leblanc said that the Blaine County Communications Center Board (BC3) is comprised of five members. Permanent members are the Sheriff and EMS Director, rotating members included fire and law enforcement representatives, and currently Ron LeBlanc is the fifth board member, representing area cities. In 2003 this governing model was approved, and the first meeting was held in January 2004. A GeoCom contract approved in March 2004.

Leblanc said \$1 per month will not fund everything related to the consolidated dispatch center, just the equipment and its upgrades and replacement, as well as the software. We have not concluded a staffing plan; we will be looking for consensus among city and county entities for that. Urban or rural levels of service will be one of the details to work out. The Mountain West Contract sets up partnerships with CML, Century Tel, and Syringa.

McBryant said she did not recall a vote at the June 2003 Kentwood meeting, and asked if there were minutes. Leblanc said there were none. The consensus was drawn by the participants, or the county commissioners. She did not recall conceding or voting. Leblanc said before June 2003, there was a group active in selling this to the voters.

Mayor McBryant said when we agreed to the tax and the tax was collected, she asked what the tax was expected to cover. He did not know, but said it won't cover the program. She asked if the interim director is currently funded. Lyman said the equipment has been contracted, and most of it is being installed. Because there is significant time involved in hiring a new director, and it is difficult to govern by committee, the interim director was set up. That salary is currently paid by Ketchum, and will be reimbursed by Blaine County from this year's E911 budget.

Burke asked how much this year's budget is. McNary said the projected revenue is between \$450,000 and \$500,000.

Brown asked for elaboration on levels of service. Leblanc said there will be two levels of service, an urban and a rural level of service. Everyone should get the sheriff's dispatch level of service, and if an entity wants more service, it could pay and get more service. Brown asked if there is any relationship between activity and service. Leblanc didn't know what the latest figures are for ambulance service. Lyman said if a burglar alarm came from a county residence, there would be no response because the level of service is not to alarms, but to actual burglaries, but in Ketchum there would be a response, because that level of service is to alarms. KPD has opted to deliver that level of service. The basic rural level would be what the sheriff delivers to the unincorporated county. He didn't know that there is a clear consensus on who gets what. Ketchum has two dispatchers on duty 20 hours of the day. That same level of service does not exist in south valley. Each of the entities is accountable for staffing the level of response to the call. Brown asked if the level of service from dispatch is that we get the call out more quickly. Lyman said a net gain in service should result in the consolidated dispatch. Davis asked what this is going to mean to the citizens of Hailey. Will or won't we have E911 service. Leblanc said Hailey will have E911, but he didn't know if citizens would need to be taxed for that. Davis said he took to heart the E911 presentation that the city wouldn't incur costs through this program.

Mayor McBryant encouraged city council members to give Leblanc input, since he is acting as the representative of the cities. Leblanc said the board meets the 2nd and 4th Wednesdays of each month at the courthouse.

CONSENT AGENDA

Davis pulled CA 110 – Minutes of March 14, from the consent agenda for correction.

Keirn moved and Burke seconded that the remainder of the consent agenda be approved as presented:

- CA 109 Motion to approve Alcohol Beverage License to Salsard, Inc dba Red Elephant Saloon, to allow for the by-the-drink sale of liquor, wine, and beer at 107 South Main Street
- ~~CA 110 Motion to approve minutes of March 14, 2005, and to suspend reading of them.~~
- CA 111 Motion to set Special Meeting of the Hailey City Council at 5:30 p.m. on Thursday, April 7, 2005 to discuss implementation of a Local Option Tax, in the Hailey Town Center Meeting Room
- CA 112 Motion to approve Second Amendment to Planned Unit Development Agreement For Copper Ranch
- CA 113 Motion to approve Resolution 2005-08, authorizing the Mayor to execute a grant application (AIP 31) for federal assistance for improvements at Friedman Memorial Airport.

The motion carried unanimously.

CA 110 MINUTES OF MARCH 14, 2005

Davis corrected page 10, saying both Davis and Keirn had been assigned to work with staff on a vendors license ordinance amendment. Brown then moved to approve the minutes as amended, Burke seconded. The motion carried unanimously.

PH 114 ANCHOR INC – 841 BUSINESS PARK PRELIMINARY PLAT

Scott Allen presented the preliminary plat for property along Empty Saddle Trail, bound on the east side by Highway 75 and on the west side by River Street. Part of the declarations that Albertson's had drafted included a 50 foot wide easement, retained for future pedestrian ingress and egress. That is not shown as part of the plat, just the declarations, so he is working with Albertson's to try to abandon that easement. If so, the lot configuration would shift somewhat. The main additional staff note requested by staff is a continuous sidewalk from Main to River streets. Shay said the parties are confident that the 50 foot easement would be resolved prior to final plat.

Mayor McBryant opened the public hearing; there was none. Davis asked if conditions F and G are redundant, as shown on page 36 of the staff report. Grotto said F refers to the plat note, and G to the design review plans, but both refer to the same item. Davis and Brown wanted to ensure that the parking requirements have been met. Staff said those requirements have been met.

Keirn moved to approve the preliminary plat of 841 Business Park subject to conditions A through I. Burke seconded; the motion carried unanimously.

PH 115 LAND USE SECTION OF HAILEY COMPREHENSIVE PLAN

Grotto said many members of the public took part in public hearings and workshops to help create the draft Hailey Comprehensive Plan Land Use Section. The public took part in over 15 meetings. The small-group workshops kept coming up with a similar theme: to keep a close compact town, with higher density near the core rather than sprawl. The character of old Hailey was something they wanted to retain. The council had replaced language regarding a compact city with softer language in other sections of the plan, rather than encouraging a mix of housing types and encouraging a more diverse community. The narrative section outlines current land use, land use mapping, and future planning goals, which talks about broad goals for land use in Hailey. Section 5.4 begins the Policies and Implementation section, and Grotto summarized the components as: integrating compatible land uses, with a compact central downtown surrounded by neighborhoods; preserving and protecting central business district; planning a use for the current airport; encouraging a diverse mix of residential housing, including various lot sizes; integrating institutional areas within the community; integrating and preserving green and public park space; using overlay districts and special planning tools for areas of special concerns or needs; addressing water capacity and water use; providing for orderly development relative to public utilities and services; providing for neighborhood businesses; utilizing energy efficient designs; keeping the highest housing density within the core and reducing sprawling housing development; encouraging amendments of

ordinances to insure they are generally consistent with the land use map; utilizing adequate processes which allow time for public input.

Shay presented the map, saying two workshops were held with a broad spectrum of population and interests represented. Five groups of four were created. Every group approached the map differently, one talking about community design, another dealing from a numerical perspective. Another group focused largely on the airport, transportation, or the design of River Street.

Becki Keefer said the Growth Management Section was recently adopted. The Land Use Map is the first of three maps, the other two being a Natural Resources map and a Parks and Greenspaces map. The public participation was invaluable and very much exceeded expectations. She described a section in brown upon the map, saying that represents ridgelines visible from the city core. She displayed the recommended area of city impact. A common theme was a pedestrian friendly community. Neighborhood service centers are shown in conceptual locations. There is shown increased residential and mixed use density within the community core. The consensus of all groups is that we would rather grow up than out. Avoiding a dead zone in an empty evening business district can be accomplished with a transitional zone. Every group was interested in redesigning the airport, but a disclaimer is shown on the map. Balanced community goals is also a disclaimer, so that the map is used as a guide, with the ordinances directing land use decisions made by the commission and council. She wholeheartedly endorsed what the commission is trying to do with land use maps and text. Old Hailey represents our ideal community, within which is a huge range of lot sizes.

Ed Terazzas of 1231 Creekside said the plan is excellent. The plan makes sense for Hailey and Blaine County because the community needs to grow, and grow well. The emphasis on pedestrian traffic is crucial.

Terry Hogue of 419 South Main (business) representing Quigley Canyon Ranch, said he was the author of language in the Growth Management section, which intended to give the city as much flexibility in the future as possible. Even in old Hailey, lots are all the same size, but people have chosen a different number of lots upon which to build. He suggested that if small lots are required, affordable housing will be put there, but we don't want to distinguish the affordable housing from the neighbors. That would have a disastrous effect on small projects and on phased projects. Will see larger lots at the city's perimeter, where less density is promoted. He again suggested revised language, as he had done in the Growth Management section, to be consistent throughout the sections.

Aaron Domini said there was strong consensus on the commission that this language helped to achieve many of the other goals. The language does not require, it encourages, thus leaving matters to decision makers' discretion. It does not directly refer to affordable housing, and small lots are not affordable. They may be of somewhat lower market rate, but they won't be affordable, and we are not doing social engineering.

Davis said he wouldn't have a problem combining both the recommended languages, using a "while" in the transition between the two phrases. Davis was opposed to social engineering, but agreed regarding the price of lot sizes. He was concerned about adequate commercial and industrial lands, saying we live in a narrow valley, but if we don't figure where we want to put more LI, we won't have room for anymore, because the land will be gone. We need to pay attention to that. What if the airport becomes a college, do we want LI around it? He wanted language regarding land identified as having historic value to citizens, which are splattered all over the city. He suggested that regional planning might address issues on page 50, with combined meetings with the county.

Keirn wanted an added statement on page 44 regarding safety, saying there are currently requests asking the FAA to waive safety requirements. He felt it important to go on record that safety is an issue. 2.3% of Hailey's total lands are light industrial or technical industrial use lands. He was glad to see more of those uses encouraged. We don't want to limit or restrict those uses to the airport area. LI lands shouldn't be that site specific. He was concerned about supplanting uses within LI areas to provide services to employees to include housing and day care. He wanted to delete those two categories, saying there is too little LI area.

McBryant said in pursuing the goal to protect and enhance the central business district, she was uncomfortable that all businesses may not be equally protected. She was comfortable with enhancing opportunities in the central business area, but it makes it very hard to develop neighborhood businesses which aren't there. When we went through establishing an SCI district, we talked about protecting certain types of businesses, such as architects.

Burke recommended leaving the strong "prohibit" language. McBryant said the neighborhood service centers wouldn't then apply. Burke said they are not full-on businesses. Davis said neighborhood service centers need to be defined. Burke said Keefer had defined them. They are outside the walking radius of the business district. Grotto said commercial uses would be subordinate to residential. It wouldn't be operating under the current regulations of our current Business zone. Burke said the only thing that worries her is when you have the 7-11, with lights on at night, and everyone is scared to death to walk by it. We struggle with daycare facilities in the SCI district, but what we're trying to do here is allow on-site child care; she preferred to leave that language in so that the employees of the hospitals and Marketrons can have on-site day care. Burke said she wanted varying lot sizes within subdivisions. The only way to provide diversity is to allow various lot sizes. Senior care and isolation of institutional uses presents a problem; where do we put the next senior care center?

Brown said we have to identify light industrial areas. She would leave the map the way it is with business park areas showing. If the airport is no longer there, we need to zone transitionally between the LI area and other areas and move on. What was the thinking of the commission and groups in terms of other zones for building height bonuses? Grotto said it is not in ordinance yet; but requiring a PUD for waiver of height restrictions

is contemplated. Brown said there may be a place in Transitional and Business, but not in residential areas. We should identify commercial districts at the very least. She favored protecting and enhancing the central business district, but would be willing to soften item A by using “discourage” rather than “prohibit”. She was afraid the neighborhood service center would never be implemented as we have envisioned. We may need to encourage what we want there, but she didn’t want the gas-station 7-11. Housing and daycare should be subordinate to the business. She did not want to see separate facilities, but a room for a caretaker. She asked if we are seeking cooperation by our two Airport Authority members. McBryant said the authority is separate from the City of Hailey; they are two different jurisdictional entities. Brown then concluded that the Joint Powers needs to be written in and clearly identified, and our comprehensive plan language should say “if “the airport relocates, we should then go forth and do good planning. She said the Council had taken green space requirements out of commercial development, but it is still in here, and should be taken out. When Hailey has an Area of City Impact Agreement with joint ownership, we won’t be addressing specific landowners because we will have an ordinance to be followed. Brown asked what zoning promotes sprawling residential development. Grotto said LR-2.

McBryant said requiring all businesses to locate on Main street creates strip development, because it prohibit the consideration of business areas going any other direction. There will be some residential movement east and west, and that will allow the business district to evolve a block east and west. Does the council want strip development, or a situation in which no economic development can thrive, or to encourage east westerly commercial development? Grotto said the map did originally show the business district going further east, and it was the public that came to these meetings that said don’t encroach into old Hailey with this business development. There is enough space in the current business area, if it develops densely, to provide adequate economic development opportunities for the duration of this plan, 20 years. Infill business development would concentrate on River street from Walnut to McKercher. The public did not want to the business area to expand more linearly, either. Burke said when we first started looking at the Tischler study, we learned that the business zone is costly to service. The airport site, if the airport relocates, may become the new mixed zoned. Keirn said it is only recently that Blue Lakes Boulevard in Twin Falls and Fairway Avenue in Boise began developing sideways. Davis said businesses on Main Street that are stifled are now moving onto Bullion Street, leaving a now empty building on Main Street.

Grotto wanted a straw poll on the airport relocation matter. Burke asked what’s to keep the airlines from pulling out of this airport, and someone buying and turning the property into a private airfield, letting in private jets. We should directly address that we don’t intend to have a private airfield here that does not benefit this community. It’s not a land grab, but she wanted to make sure the Friedman donation is honored, for the benefit of the citizens of Hailey, and to prevent that benefit from going away. Brown supported modifying B to reflect a public airport.

Brown moved to table the Land Use Section of the comprehensive plan. Burke seconded; the motion carried unanimously.

JAMES REED TOWNSITE OVERLAY DISTRICT AMENDMENT

James Reed said he had bought a 14,000 square foot lot in east Hailey, which is too large under current zoning regulations to divide into two moderate sized lots. He didn't want to build an enormous house upon that large lot with over a million dollar value. So he explored the issue of whether the political will is there to reduce the lot size. Blaine County Citizens for Smart Growth supported the idea of reduced lot sizes. The current existing zoning standards are 6000 square feet in General Residential and 8000 square feet in Limited Residential. He proposed an amendment to reduce the minimum lot size to 4500 square feet in GR, and 6000 in LR. This text amendment does not address any setback issues, so homes won't be closer together. The increased density creates vibrancy and a sense of neighborhood. It supports biking, walking, and public transit.

Grotto said the commission recommended approval for the smaller lots throughout the town site overlay district. The business district doesn't establish a minimum lot size for single family homes. Keirn asked if there are conflicts between this idea and the land use discussion. Grotto said there is no conflict. There are between 90 and 100 lots in Hailey's inventory that could be split. Burke said when we talk about water being a concern that may cap growth.

Mayor McBryant opened the public hearing.

Susan Furman of 100 Main Street said she loves the old town community and supported this amendment, which will look better than giant lots with empty spaces. By dividing lots, some people will be able to afford staying in Hailey by selling off part of their lot. The amendment is good because it keeps the look of the town, and keeps the people of the town.

Jim Kuen of 114 Buttercup said he has lived on a 4500 square foot lot for many years and likes it.

Mary Peterson of 711 East Myrtle said infill development is a real asset.

Roger Lake of 403 East Silver said he would be one of the lot owners that could split his lot. The new regulations wouldn't detract from the area.

Following a question, McBryant said the setbacks will remain the same. Grotto added that there is a six foot minimum setback.

Ed Terazzas said this is an excellent way to address growth. A lot of people can't afford large houses, and many will get chased out by higher taxes.

Roger Lake said he can envision some very nice small homes.

John Seiller of 115 North 5th said his property would be impacted by this. Infill development is a constant term of the commission, and some of the commissioners evaluated if 4500 is too big for infill development. The unattached single family home with setbacks creates the neighborhood feel. We don't have definition of community core in Hailey, we have Town Site Overlay. Let's bring the people into town. Annexations and expansions will occur, and while we can put the people downtown, let's do it. Very little property would be impacted east of the bike path. The infrastructure and capacity is all there.

Laura Higgen of 117 East Galena supported the proposal.

Aaron Domini said Reed came to Blaine County Citizens for Smart Growth, and his proposal fit the organization's mission. This is an opportunity to implement goals and policies. He recommended 4500 minimum lot size throughout the entire town site overlay. Hailey was originally platted on 3000 square foot lots. We worked hard to make this work without changing the setbacks. Boise's most desirable neighborhood is its north end near Hyde Park that allows this type of lot.

There being no further public comment, the mayor closed the public hearing.

Davis said if a parcel of land is used for a building, there will be less lawn to irrigation. This amendment thus may not be a negative impact on water supply. This may allow property owners to save historical buildings. Keirn felt the increased density in the area being discussed is an excellent idea. Burke said the water may be a limiting concern in the big picture, but these 100 lots won't be the back breaker.

Brown felt the new lot size is too large at 4500, and she was interested in discussing smaller lots. She favored 4000. Discussion ensued, and it was concluded that too narrow of a house would be built.

Brown moved that the council adopt Ordinance 902, amending the minimum lot sizes in Hailey's Town Site Overlay district, finding that the ordinance shouts out conformance to the comprehensive plan, and the first reading be read by title only. Burke seconded; the motion carried unanimously.

TRAFFIC SCHOOL CONCEPT

Chief of Police Brian McNary said E911 is different than consolidated dispatch, and the funds on the phone line charges will fund E911. Consolidated dispatch is a different story.

McNary then introduced his department's traffic school concept, saying that about a year ago the chief of police of Post Falls developed a traffic school. Regionally, everyone is looking at it; Twin Falls will start theirs March 1. People who are stopped for a traffic infraction will be invited to attend traffic school for \$66 rather than be cited a traffic infraction which will cost \$53. We've stepped up our enforcement and have written 500

tickets since the first of the year. A Summons would be given in lieu of the ticket. We will ask neighboring agents to participate, and part of the fee will go there. We would like to have the program implemented by Memorial Day. Acting city attorney Rick Allington said drivers licenses are suspended if traffic tickets aren't paid, so that could be held over their heads. McBryant said the idea is to change their behavior. Brown asked what the authority is that allows us to do this. McNary said the discretion is allowed to the officers.

PRETREATMENT VARIANCE – The Bagel Place

Ray Hyde said The Bagel Place has requested relief from Hailey's pretreatment ordinance. This variance was previously issued in another location, and does not use grease in its processes. Davis asked if we reinspect periodically.

Brown said this simple issue warrants a look at our ordinance; why does council have to look at this level of activity. There should be administrative approval for such a variance.

Keirn moved to approve a variance from Hailey's Pretreatment Ordinance for the Bagel Place. Burke seconded; the motion carried unanimously.

WORKSHOP

Mayor Reports –McBryant encouraged council members to take advantage of the police chief and fire chief to ask questions regarding consolidated dispatch. She continues to be concerned that we didn't get to select any representation on the consolidated dispatch board. The City of Hailey's interest are not being represented. We should be able to have our own representative. Costs keep rising. This was a diverse community because the elderly people didn't have to sell their houses and move. She can't stand the changes that are eating away at the fabric that used to be our town. Keirn said he will be distributing minutes as they occur.

Airport Reports – Burke said we have such a vocal contingent from northern Blaine County, and when we think about Camas County or elsewhere, no one from Hailey shows up at these meetings. As a community we are not voicing our concerns. Is it apathy, or that people are uninformed, or that people are sure of our representatives. McBryant added that it is difficult to speak, and it is hard to do battle in that type of environment. Brown said she has been attending these meetings. There are risks with both moving and not moving the airport. It is important to get informed and then tell the council what people want. Davis asked to be added to the agenda list for receiving emails. Allington said more than 2 council members attending the airport site selection meetings would not be a violation of the open meeting law and would not need to be noticed as a quorum.

Council Reports – Davis said Animal Control Officer McMullen's memo regarding dogs running at large should be endorsed. McBryant disagreed, saying that under that regulation, two neighbors wouldn't be able to chat in the street with their dogs nearby and

not get cited, but a dog on leash could defecate in someone else's yard while on that leash and that would be legal. What is the problem we are trying to solve? Let's not create a monster that's not the problem we are trying to solve. Burke said her fenced in dogs are hassled by dogs not on leashes; there is no verbal command when dogs greet each other in this manner.

Davis presented five applications from people interested in being on the historical commission.

Keirn attended the consolidated dispatch meeting, and said the budget area is fairly confused. One proposal being tossed around is the cafeteria selection of differing levels of service. Chapman said no matter how technologically sound a facility is, if it is mismanaged, we will be in the same position as we are now.

Brown said consolidated dispatch is implicit in the homeland security laws. She didn't understand that. She recommended authorizing the mayor to send a letter requesting our own representation. Keirn said Bowman attends the meetings too, and the Blaine County Commissioners have fiduciary authority.

Keirn said he had asked when airlines will phase out the equipment they are currently using, and had learned that Skywest's phase out plan has been implemented.

The council then took a straw vote on whether a consultant should be hired to facilitate the council's implementation of its goals. Keirn wasn't in favor of using a consultant. Burke would be for it if work with staff occurred. McBryant said she met with staff to talk about staff's goals vis a vis council goals. Davis said the council should do it for next year's goal planning session. McBryant suggested one-on-one conferences between council and staff. Brown said she would like the next goal setting facilitated. She still doesn't see the nexus between the comprehensive plan goals and the other goals we are setting. We need to put the budget and the comprehensive plan in the same room.

McBryant said Dawson recently attended a training session for Public Information Officers. One of the criteria of the clerk is to remain impartial, and the position lends itself ideally to putting out informational facts which are not slanted. Dawson is articulate and bright, and thus the person as well as the position are matched to this duty.

There being no further business, Mayor McBryant adjourned the meeting at 9:25 pm.