

**CITY OF HAYDEN LAKE
MINUTES OF REGULAR MEETING
MARCH 4, 2014**

CALL TO ORDER

Mayor Beck called the meeting to order at 5:00 pm. Present were Council members Tom Gorman, Tommy Frey and Jim Ackerman. City Attorney Pete Bredeson and Code Enforcement Officer Rand Wichman were present as representatives of the Council. Also in attendance was Rich Swoboda.

AGENDA AND CONSENT AGENDA

Councilman GORMAN moved to approve the posted agenda for the meeting along with the consent agenda. The consent agenda included the minutes from the February 4, 2014 regular meeting, the list of invoices for approval and the paid invoices pending approval. Councilman FREY seconded the motion. The motion carried.

CITIZEN ISSUES

None

OLD BUSINESS

None

NEW BUSINESS

I. Hayden Triathlon: July 14, 2014 – Rich Swoboda

Mr. Swoboda reported that this will be the fourth year of the Triathlon. The proposed route hasn't changed. Mr. Swoboda distributed written handouts to the Mayor and Council which provided details of the race. He requested that a City police officer be stationed at the intersection of Hayden Avenue and Strahorn Road during the course of the race that runs through the City. Councilman Gorman requested that the City be provided with a copy of the endorsement to the Triathlon's insurance policy which names the City as an additional insured. Mr. Swoboda agreed to do so.

Councilman GORMAN moved to support the Triathlon and provide a City police officer at the intersection of Hayden Avenue and Strahorn Road during the course of the race that runs through the City. Councilman FREY seconded the motion. The motion carried.

POLICE CHIEF REPORT

Mayor Beck summarized a written report that was submitted by Chief Johnson. December 2013 and January 2014 were slow months for the City Police Department. One arrest was made in December and none in January. Additionally, four traffic stops were made in December which resulted in two citations and two warnings. Ten traffic stops were made in January which resulted in six citations and two warnings.

CODE ENFORCEMENT OFFICER

Code Enforcement Officer Rand Wichman gave a summary of his written Report, which he distributed to the Mayor and Council. Mr. Wichman asked the Mayor and Council for guidance with respect to the fence located in the front yard of the residence at 10291 Fir Lane, which is owned by Pine Cone Properties, LLC. Pursuant to a Decision approved by the Council on February 4, 2014, the owner has until this Friday, March 7 2014 to comply with the terms of such Decision which conditionally grants a renewed application for a fence variance. Apparently, the owner has done nothing to comply with the terms of the Decision. Mr. Wichman reported that he had sent an email to John Magnuson, the owner's attorney, questioning what the owner's plans for complying with the Decision are. Mr. Magnuson passed the inquiry on to his client.

Councilman Frey suggested that the City Attorney contact Mr. Magnuson. City Attorney Bredeson stated that he will drive by the property on Friday to see if any effort has been made to comply with the 02/04/14 Decision. If not, he will contact Mr. Magnuson. Bredeson will also contact the City Clerk on Friday to see whether or not the property owner has applied and paid for a fence permit, which was also a condition of the 02/04/14 Decision. Councilman Gorman sought clarification on the conditional nature of the 02/04/14 Decision. Wichman and Bredeson stated that if the terms of the Decision are not met, then the conditional approval of the fence variance is of no effect. Therefore, if the Decision is not fully complied with by March 7, not even a portion of the nonconforming subject fence will be allowed.

CITY ATTORNEY REPORT

I. GROUP HOMES UPDATE

Mr. Bredeson reported the results of his research conducted in response to a discussion at the 02/04/14 Council meeting regarding group homes or group residences locating or re-locating in the City. The discussion ensued as a result of concerns about such residences being voiced at that meeting by Ms. Linda Felsing. According to Mr. Bredeson's research, whether or not these types of facilities are being operated on a for profit or nonprofit basis, if eight or fewer disabled or elderly persons are involved, pursuant to the Federal Fair Housing Act and Idaho law no additional regulations can be imposed on these facilities nor can they be prohibited. However, Bredeson reported that the City can regulate or prohibit tenancy or planned tenancy in such a residence by persons under the

supervision of the state board of correction, registered sex offenders, or those whose tenancy would otherwise constitute a direct threat to the health or safety of other individuals or whose tenancy would otherwise result in substantial physical damage to the property of others. Mr. Bredeson recommended that the City's Zoning Ordinance be amended to reflect this exception and prohibit such tenancies.

Councilman Gorman questioned Mr. Bredeson about the types of individuals that are subject to protection under the Fair Housing Act. Bredeson responded that they are basically the elderly and people with disabilities, as that term is broadly defined by the Act. Mayor Beck questioned whether or not some type of permitting requirement could be imposed for these types of facilities. Bredeson stated that if the facility falls under the protection of the Fair Housing Act, such requirements are difficult to enforce since they are usually construed as violations of the Act.

Councilman GORMAN moved to have the City Attorney amend the City's Zoning Ordinance to restrict these types of facilities to the greatest extent possible given the current law. Councilman FREY seconded the motion. The motion carried.

II. MEMORANDUM OF UNDERSTANDING WITH LAKES HIGHWAY DISTRICT

Mayor Beck gave a brief summary of the terms of the Memorandum of Understanding ("MOU"). Strahorn Road is to be reconstructed from Miles Avenue to about the beginning of the traffic island that is located in the Road where the relatively new pavement begins. Lakes Highway District will put the project out to bid as part of its 2014 Rehabilitation Projects. The roadway will be re-paved to a width of twelve feet and striped at eleven feet. Re-paving of the bicycle/pedestrian path is not included in the project. That will be done as a separate City project. The roadway will be graded so that surface water drains towards the bicycle/pedestrian path. Approval of the MOU includes a present payment of \$39,402.46, approximately one-half of the estimated project costs.

Councilman Ackerman questioned whether or not some type of barrier between the roadway and bicycle/pedestrian path was still planned. Mayor Beck and Councilman Gorman responded that the cable and post system that was previously discussed was still envisioned. The Hayden Lake Country Club may even donate the cable and posts from its old perimeter fencing for the project.

Councilman GORMAN moved to approve the MOU. Councilman FREY seconded the motion. Roll Call Vote: Councilman Frey voted "aye", Councilman Gorman voted "aye" and Councilman Ackerman voted "aye". The motion passed.

III. RESOLUTION NO. 113: SPECIAL ELECTION FOR WATER SYSTEM

City Attorney Bredeson explained that approval of this Resolution is the first step in transferring the City water system to Avondale Irrigation District (“AID”). The Resolution authorizes a special election for May 20th, 2014 regarding whether or not the City should do so. Kootenai County has a deadline of March 21, 2014 for receiving special questions such as this, so Bredeson will forward the Resolution to the County before then so that the County can get the election set up.

Bredeson also reported that he is working on an annexation petition to annex those properties served by the City water system into AID. Welch Comer is working on the legal description of such properties, which is required for the petition. Notice of the hearing on such petitions needs to be published three weeks beforehand, so Bredeson plans on finalizing the petition and filing it with AID sometime in April.

Another component of the proposed transaction is a purchase agreement between the City and AID that will detail what real and personal property make up the water system along with the terms of the transaction. Bredeson reported that the purchase agreement should be finalized as soon as possible after the May 20th special election so that significant City resources are not put into finalizing the agreement only to see the election vote fail.

Mayor Beck stated that transferring the water system to North Kootenai Water District (“NKWD”) would involve having to make substantial upgrades to the system, which would almost exhaust all of the cash and cash equivalents in the City Water Fund. Users of the City water system would also see an increase in rates if the system is transferred to NKWD versus the probable and substantial rate decrease that will be realized if the system is transferred to AID. Therefore, transferring the system to NKWD isn’t a valid option.

Mayor Beck also stated that with respect to lost water revenues that are currently used to pay a portion of City administrative expenses, if the City utilizes the entire three percent allowable increase in its share of property tax revenues along with its foregone tax revenues, the projected shortfall is approximately \$27,000 annually. The Mayor believes that this projected shortfall can be offset by budget cuts. Councilman Gorman asked about previous discussions relating to the City retaining sufficient amounts from the Water Fund to cover the project budget shortfalls. Mayor Beck stated that in his conversations with AID, approximately \$100,000 would be retained by the City with the approximate balance of \$500,000 going to AID for expenditures relating solely to the City water system. Bredeson referenced the language in Section One of the Resolution that provides for this.

Councilman GORMAN moved to approve Resolution No. 113. Councilman FREY seconded the motion. The motion carried.

CLERK

I. FINANCIAL REPORT: DECEMBER 2013 AND JANUARY 2014

Councilman GORMAN moved to accept the Financial Reports for December 2013 and January 2014. Councilman FREY seconded the motion. The motion carried. Since City Clerk Hagman was not present, Mayor Beck asked that any questions regarding the Financial Report be deferred until the next meeting.

PUBLIC WORKS REPORT

Mayor Beck reported that he has received positive comments regarding snow removal within the City.

COUNCIL COMMENTS

MAYOR COMMENTS

ADJOURNMENT

With no further business, Councilman GORMAN moved to adjourn at 5:38 pm, seconded by Councilman FREY. The motion carried.

Chris Beck, Mayor

Lynn M. Hagman, City Clerk