

# MINUTES

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**McCall City Council  
Regular Meeting  
McCall City Hall -- Legion Hall  
August 13, 2015**

Call to Order and Roll Call  
Pledge of Allegiance  
Approve the Agenda  
Department Reports  
Committee Minutes  
Public Hearing  
Public Comment  
Business Agenda  
Consent Agenda  
Executive Session  
Open Session  
Adjournment

## **CALL TO ORDER AND ROLL CALL**

**Mayor Aymon called the regular meeting of the McCall City Council to order at 5:34 p.m. Mayor Aymon, Councilor Giles, and Councilor Swanson all answered roll call. Councilor Scott and Councilor Witte were absent.**

City staff members present were Gene Drabinski, City Manager; Bill Nichols, City Attorney; Linda Stokes, City Treasurer; Dennis Coyle, Parks and Recreation Director; Peter Borner, Public Works Director; Meg Lojek, Library Director; Michelle Groenevelt, Community Development Director; Delta James, City Planner; Traci Malvich, Human Resources Manager; Erin Roper, Communications Coordinator; Shay Tyler, Deputy Treasurer; and BessieJo Wagner, City Clerk.

**Mayor Aymon led the audience in the Pledge of Allegiance.**

## **APPROVE THE AGENDA**

**Councilor Swanson moved to approve the amended agenda as submitted. Councilor Giles seconded the motion. In a voice vote all members voted aye and the motion carried.**

## **DEPARTMENT REPORTS**

### **Airport**

Airport Manager Nate Coyle reported on the Fly-In. The flying seminars were very well attended and the highlights of the event were the rides for 55 "very happy kids."

### **Community Development**

Community Development Director Michelle Groenevelt gave report that the Impact Area training will take place in October in Cascade, and the Department of Commerce visit was successful. The pathway signs are being added as funds allow. Mayor Aymon suggested that to reduce traffic on Davis, give campers at Ponderosa the Pathways Map and let them know about the alternate route at check-in.

As the City applies for the same funding sources as Treasure Valley Transit, Grant Coordinator Carol Coyle has resigned from the Transit Board. It is perceived as a conflict of interest, especially with the future partnership with the Transit Center.

Councilor Swanson stated that he resigned from the Economic Development Council due to time constraints. The group would like to have another member from Council participate if possible.

### **Library**

Mayor Aymon noted that the children's forest was successful. The recipe swap seemed to have low attendance but Library Director Meg Lojek is optimistic that there is potential for growth.

### **Parks and Recreation**

Parks Director Dennis Coyle reported that the disc golf tournament was cancelled due to lack of registrants. The screening project for McCall Mall is making progress.

### **Public Works**

Public Works Director Peter Borner noted that there has been a good response to the alternate day sprinkling policy. Until the rate study is complete, it is unknown whether reducing water usage will reduce water revenue. The alternate day policy will probably continue until after August when the hot weather subsides. The streets that were chip sealed were also fogged sealed which is an additional coat of oil that is put on top of chip sealing to help preserve it.

### **City Clerk**

City Clerk BessieJo Wagner commented that Local Option Tax (LOT) numbers for July are starting to come in and it's looking very positive. It is a possibility that there may be excess LOT funds this year after all disbursements are completed.

### **City Manager**

City Manager Gene Drabinski presented his final department report as the City Manager, discussing his original goals when he came on board and where those goals are at now. One goal was to change the public perception of the Police Department and he believes it has been accomplished. Another goal was finding a way to fund the rebuilding of the City streets. A second attempt to pass a sales tax for streets will take place in November. He believes it is on track but is going to require far more active work on the Council's part to get a larger group of citizens on board. He will be available to support the process but is not going to lead it. He thinks the community is willing but leadership is needed to accomplish it. A great amount of effort has been put forth to find a permanent solution for the "sewer wars." Manager Drabinski stated that a hopeful solution may be forthcoming at tonight's meeting. He reflected on the effort in the past three years to get to this point. He and Councilor Swanson participated in weekly meetings for 18 months to get to the point of adopting the JWAG charter with the purpose of finding method of a merger in the future. Other goals were breaking down the barriers between the City and the business community which he believes is improved but still needs further work, and revising the

Governance Manual. In working with Nate Coyle and all the department heads on this Governance Manual, he believes they have created a plan to enhance it to be a more beneficial working document. Manager Drabinski closed by sharing his final goal to ensure a positive and momentum-maintaining change in leadership, and he feels this has been met.

## **COMMITTEE MINUTES**

Council was presented with the following committee minutes:

1. Airport Advisory Committee – May 7, 2015
2. Airport Advisory Committee – June 10, 2015
3. Library Board of Trustees – June 23, 2015
4. McCall Improvement Committee – July 9, 2015
5. McCall Redevelopment Agency – June 16, 2015
6. McCall Redevelopment Agency – July 17, 2015
7. Planning & Zoning Commission – July 7, 2015

## **PUBLIC HEARING**

### **AB 15-143 Public Hearing on the Proposed FY16 Budget**

City Treasurer Linda Stokes presented the proposed FY16 budget. She began by covering the changes made to the adopted tentative budget which included the 3% increase of \$145K without any foregone amounts; changes to the LOT funding; and increasing the estimated Highway User Funds from the County. The interfund transfers were recalculated and the Local Option Tax funding matrix is prioritized as listed. She called out some of the assumptions built into the budget, the major ones being development related revenues, building permit and plan check fees in the general fund, also in the water and sewer funds as connection fees and system buy-ins.

The FY16 budget includes a total of \$5,017,227 in property taxes, which includes the 3% increase and no foregone, but does not include the property tax replacement dollars that come from the State so it is not included in the actual tax levy. Also included is growth and annexation of \$85,347 this year, which is approximately \$17K over last year. The impact of the 3% increase that would be \$14.78 per \$100K, and the gain would be reduced slightly by the increased 2015 Homeowner's Exemption. The current budget shows an assumption of a 27% increase in health insurance and 5% increase in dental costs. She discussed the varying proposals and presented two scenarios that might yield additional potential savings. Both scenarios include an increase to the advertising budget for the City Manager.

**Councilor Witte joined the meeting at 6:10 p.m.**

**Mayor Aymon opened the public hearing at 6:12 p.m.**

There were no public comments.

**The public hearing was left open to accept written comments until August 27 at 5:00 p.m.**

Treasurer Stokes asked the Council for guidance on whether to take 3%, a lesser amount, or moving forward with the merit pool. Council will consider and give direction at the next

meeting. She reported that two or three ordinance choices will be available for adoption at the next meeting.

**AB 15-142 VAC-15-01: Vacation of Neal Street and Clark Street Rights of Way**

City Planner Delta James presented the proposal application submitted by Sabala Whitetail, LLC to vacate two street rights of way on Neal and Clark Streets. All of the properties dependent on the subject rights of way for access are owned by the applicant, with the exception of a parcel owned by the Lake Reservoir Company. Clark Street has never been constructed nor maintained as a City street. However, public utilities are located within both the Clark Street and Neal Street rights of way. The Neal Street right of way widens to approximately 122 feet near its terminus at the Payette River. The topography of this area is steep, but provides one of the few public overlooks of and/or access to the upper section of the river and has the potential to connect to other public access along the river to the north and south, thereby forwarding the Comprehensive Plan goal of connected greenway.

Staff met with the Applicant prior to submission of the application and identified a few issues. The intent of the Applicant is to ask for vacation of the rights-of-way in order to enable them to do some master planning without uncertainty about whether those will actually be vacated. The Applicant has proposed conditions that will overlay easements along the location of public utilities, so that Public Works would still have access to them. In places where vehicle access might occur, there is a condition that proposes that it continue to exist as located. It is unknown how Lake Irrigation Company would gain access to their parcel. If these were vacated, essentially it would isolate their parcel. As a condition of approval the Applicant has agreed to provide access to the Lake Irrigation Company parcel, although unknown where at this time and will be negotiated between the two parties. The public access to the river is to be addressed as a condition of approval. The condition was added that vacated streets shall not be executed until the City and Lake Reservoir Company have entered into a written agreement for public river access and parking through the Lake Reservoir Company property.

The McCall Area Planning and Zoning Commission directed, in a four-two vote, for staff to prepare Findings of Fact and Conclusions of Law to recommend to City Council for approval of the proposed vacation of rights of way, conditioned upon the Lake Reservoir Company and the City of McCall executing a written agreement for alternate public river access and parking via the Lake Irrigation Company property. At its July 7, 2015 meeting, the McCall Area Planning and Zoning Commission approved these Findings.

Community Development Director Michelle Groenevelt elaborated on the long-range planning and explained that vacations are uncommon and usually come with a master plan. The Staff's position is that they are not specifically against the vacation of these streets, but the issue of public access is a big one, especially in terms of trying to secure public access so there is no future lost opportunity, and that it is also consistent with the Comprehensive Plan.

Steve Millemann, legal counsel for the Applicant, discussed the reasons for Shore Lodge's requests, presented photos of the southern terminus of Neal Street from the river, and talked about a parcel that Lake Reservoir Company holds on the opposite bank of the river. The Council asked Mr. Millemann various questions about easements, public access, and Lake Reservoir Company access.

Ron Shirliff of Lake Reservoir Company (LRC) confirmed that there have been discussions with Dennis Coyle, Parks and Recreation Director, about possibly granting a public easement. Mr. Shirliff acknowledged that the City has always shown interest in creating a public easement on the east side of the river, and at the time, LRC was not comfortable with placing an easement there. In the past they had been approached by recreationalists requesting access to the west side. He explained that the property is valuable to the LRC for dam maintenance or in the event that the dam would be rebuilt. Up until recently, the property in discussion did not connect to the property owned by the Lake Reservoir Company, which is what the dam occupies. He then gave a short history on how the easement came to pass in recent years, and stated that they are open to conversations of granting public access.

**Mayor Aymon opened the public hearing at 6:16 p.m.**

There were no public comments. The representative for the Applicant had no further comments.

The Council and staff engaged in a lengthy discussion regarding the pros and cons of granting the vacation of right of way on Neal and Clark Streets, future public access needs, and the importance of a master plan. Councilor Witte shared the Idaho State Statute, #5, that states public rights-of-way can be vacated only upon determination that retaining the right-of-way for use by the public is not in the public interest. City Attorney Bill Nichols stated that the Clark Street request is a good example for vacation as it has never been improved or never used for access, and that it is not uncommon to grant a vacation and negotiate the principal public interest alternatively. City Planner James stated that generally Staff want to work with the developer to create a development pattern. It has been successful with other developers in presenting a complete package to the Council.

**Hearing no further comments, Mayor Aymon closed the Public Hearing at 7:21 p.m.**

Councilor Witte had no problem with the vacation of Clark Street, but she believed Neal Street to be more problematic. She liked the idea of developing an access point there, but she thought the other issues of the connective greenway and a viewpoint to the river would not be addressed. She thought there might be more public interest in a viewpoint to the river if that easement were granted across the Lake Reservoir property. Councilor Witte had difficulty with the vacation of Neal Street and she understands the right-of-way is wide and unattractive, however the City should revisit with the Applicant at a later date when a master plan is ready to be put in place.

Councilor Swanson felt that even though the Applicant has gone to great lengths to be amenable to Council's concerns, he is not convinced that the vacation along the riverbank is in the best interest of the public, but that would only making a difference if there was a developed access point already there. The greenway connection is a reasonable concession and he would be OK with both vacations with the provisions and changes that have been discussed.

Councilor Giles was in favor of vacating Clark Street but not in favor of granting vacation of Neal Street. A master plan needs to be in place first.

Mayor Aymon appreciates the hard work exercised in coming up with a solution to the public interest and agreeing to the condition of approval. She also pointed out that historically the City of McCall has given up a lot of access to some of its most beautiful spaces and thus now has very

little access to the lake or the river. She also felt it important that a master plan be in place. She is not in favor of giving up access due to the public interest issue.

City Attorney Nichols stated that if Council desired to grant only the vacation of Clark Street and not Neal Street, then he recommended that Staff come back at the next meeting with a clean set of findings that address those issues. He also stated that the motion could address the issue of compensation. If only Clark Street is vacated and Neal Street is not, then he warns against the compensation to the City for the vacated Clark Street portion, and explained why. The offer is generous but money does not normally exchange hands over a vacation. He then proceeded to give instruction on how to create the motion, addressing each street separately.

**Councilor Witte motioned to grant the application to vacate Clark Street, and direct Staff to present a separate set of Findings and Conclusions for the Clark Street vacation, for approval at a subsequent meeting, that would address the public utilities that may be along Clark Street, and that the Clark Street vacation not include any reference to a public easement across the Lake Reservoir Company property, nor any reference to include compensation for the vacation. Councilor Giles seconded the motion. Councilor Witte, Councilor Giles, Mayor Aymon, and Councilor Swanson all voted aye and the motion carried.**

**Councilor Witte motioned to deny the requested vacation of Neal Street and direct Staff to present Findings and Conclusions, without a public access easement, for approval at a subsequent meeting. Councilor Giles seconded the motion. In a roll call vote Councilor Witte, Councilor Giles, Mayor Aymon vote aye, and Councilor Swanson voted nay and the motion carried.**

## **PUBLIC COMMENT**

**Mayor Aymon called for public comment at 7:35 p.m.**

Dan Scott, 501 W Lake Street, McCall, is President of Shore Lodge. Mr. Scott addressed the local option tax funding and the potential ordinance to increase the 3% occupancy tax. The Shore Lodge and most hotel operators are opposed to a 6% tax on lodging and think it is a bad idea. Currently the hotel tax rate is 11% with all state and local taxes. Mr. Scott stated that raising it to 14% is too high of a burden to put on hotel room users. He receives complaints frequently about the high hotel tax. Visitors who come often are aware that a significant amount of it goes to things that do not benefit them, like McPaws. Mr. Scott believes that this increased tax will have an impact on his and other hotel businesses in McCall. He stated that 3% is a good number and consistent with other resort cities in Idaho. He stated that he sympathizes with the challenges to find funding but he thinks there are other places to look. He illustrated that if there are not people in beds, the other businesses will not have restaurant meals or liquor to tax. He asked to revise the ordinance and come up with something that is more equitable to the hotel business.

**Hearing no further comments, Mayor Aymon closed the comment period at 7:38 p.m.**

## **BUSINESS AGENDA**

**AB 15-145 City Manager Appointment and City Manager Agreement Approval: Nathan Coyle**

Human Resources Manager Traci Malvich presented a request to appoint a new City Manager and approve the City Manager agreement. Several qualified applications for the City Manager position were received. Staff members and members of the City Council conducted an extensive review of all applications, of which three candidates were selected for interviews with City Council. After the interviews on July 24, 2015, City Council unanimously selected one finalist candidate to continue in the recruiting process. Staff arranged a public engagement on August 03, 2015, for members of the community to meet the candidate. The City Council has extended an employment agreement to Nathan Coyle.

Mr. Coyle has served the City of McCall as Airport Manager since May 15, 2013, and as Special Projects Manager since December 08, 2014. His career accomplishments and education provided numerous qualifications and strengths that made him stand out from the other applicants interviewed for the City Manager position. Mr. Coyle is a veteran of the United States Air Force with more than twelve years of command leadership experience, which included two overseas deployments. He has a demonstrated record of leading complex organizations, while achieving operational and strategic goals. He has more than ten years of experience with the supervision and development of large groups of personnel. In addition to his leadership abilities and personnel management experience, Mr. Coyle has a strong knowledge of governmental budgeting processes and has been involved in City of McCall budget development and creation of a five year capital improvement plan for the city. Mr. Coyle's demonstrated dedication, knowledge, and experience as a leader make him an ideal selection as the City of McCall City Manager.

**Councilor Swanson moved to approve the City Manager Agreement and appoint Nathan Coyle as City Manager per McCall City Code 1.7.1 effective August 14, 2015. Councilor Giles seconded the motion. In a roll call vote Councilor Swanson, Councilor Giles, Mayor Aymon, and Councilor Witte all voted aye and the motion carried.**

BessieJo Wagner, City Clerk, swore in newly appointed City Manager, Nathan Coyle.

**AB 15-141 SUB-15-01: Alpine Village Minor Plat Amendment**

City Planner Delta James presented a minor subdivision plat amendment application to split one existing commercial platted unit of 6,853 square feet into two smaller commercial units. This unit split does not impact the parking requirements, footprint area, setbacks, vehicle access, drainage or other aspects of the existing building, nor does it impact other units within the existing building. Ms. James reviewed the four proposed Conditions of Approval. City Staff and the Planning and Zoning Commission had no concerns with the proposal.

Ralph Miller of Secesh Engineering appeared on behalf of the Applicant. Mr. Miller described the proposed split and the actions that have been taken so far and answered questions from Council.

**Councilor Giles moved to approve SUB-15-01 subject to the presented Findings and Conclusions and authorize the Mayor to sign all necessary documents. Councilor Swanson seconded the motion. In a roll call vote Councilor Giles, Councilor Swanson, Mayor Aymon, and Councilor Witte all voted aye and the motion carried.**

**AB 15-144 Request for approval to pursue legislative action to amend state code and allow direct consolidation of City of McCall and Payette Lakes Recreational Water and Sewer District entities**

Special Projects Manager Nate Coyle gave a background report and presented the request to pursue legislative action to amend state code and the consolidation of the City of McCall and Payette Lakes Recreational Water and Sewer District. Bill Gigray from White Peterson presented the available options for consolidation under single governance of the City of McCall and Payette Lakes Recreational Water and Sewer District (PLRWSD) wastewater entities as previously presented to the Joint Wastewater Advisory Group (JWAG). The consensus of the JWAG during its last meeting on July 23, 2015 was to recommend to the McCall City Council and PLRWSD Board pursuit of legislative action to amend state code to provide for a more direct annexation and resulting consolidation of wastewater entities.

A draft version of this legislative proposal was presented to the JWAG and was reviewed by Mr. Gigray in his presentation. There are three primary options and a fourth legislative option if a new pathway was needed to make this a more efficient process. Mr. Gigray talked in length regarding the legislative options describing the process involved, annexation, and the election process. An outline of the terms and conditions, which would have to be accepted by both parties, will need to be drafted in an agreement and then proposed to Council. He described the legal steps in an annexation, zones vs districts, and the discussions with the Joint Wastewater Advisory Group (JWAG). The easiest way to do this procedurally would be to dissolve the district, because that format is already in place but JWAG was not in favor of this option. The process is a cumbersome process for annexing the city as it exists because there is property owner involvement.

City Attorney Nichols added that if the district is dissolved and the home owners become "city" customers, then the eligibility is for a category B non-owner petitioned annexation, which would result in a significant increase in their property taxes which is the reason for JWAG's reluctance to dissolution of the district. This said, it is not likely that those citizens will vote for dissolution, which would open the door for City annexation of their properties. He advised that if going public that the actions are very deliberate and that JWAG is very informed of what actions the City is taking.

Mr. Gigray stated that the Idaho State Legislature ends its season in January so a decision needs to be made relatively soon or the process will be delayed another year. The decision to go the legislative route does not mean that an annexation needs to take place but rather only getting one step of the process out of the way so as to not slow down any possible future movement. Also, as there is no legislation regarding this subject, McCall would be creating a process that would be beneficial to the entire State. After asking additional questions and discussing what action to take, the Council consensus was to table making a decision until the next Council meeting.

**Councilor Witte moved to table the formal action of legislative action to amend state code as identified within the enclosed legislative proposal, pending receipt of the same concurrence of the PLRWSD Board to the August 27, 2015 City Council Meeting. Councilor Swanson seconded the motion. In a roll call vote Councilor Witte, Councilor Swanson, Mayor Aymon, and Councilor Giles all voted aye and the motion carried.**

**AB 15-146 Request for Approval of a Caselle Software Maintenance and Support (Software Assurance) Agreement**

City Treasurer Linda Stokes presented the Caselle software maintenance and support agreement. Caselle, the City's accounting software vendor, is offering a new program called Software Assurance. It is a new service agreement which includes software updates and upgrades. Software Assurance will replace our current software maintenance agreement. The cost of moving to Software Assurance is usually less than the cost of purchasing a software upgrade. When the City upgraded from Caselle Classic to Caselle Clarity in 2012 the cost of the upgrade was \$34,000. Moving to Software Assurance will increase the monthly maintenance fee for all currently licensed modules by \$347 per month or \$3,324 annually.

Software Assurance works by giving unlimited updates or upgrades immediately without paying for full-price versions each time a new version of the licensed Caselle module is released. As well, there will be unlimited access to telephone and email support, free access to webinar training, free access to Caselle's 'knowledgebase', and an online self-help area on Caselle's website. If an annual payment is chosen over monthly, there is a 5% discount. Under the current software agreement, the number of support calls per year is limited to 72 with no option of paying annually to obtain a discount. In addition, Caselle has added a promotion of a \$1,000 off the purchase price of our next Caselle Module for moving from the current maintenance agreement to Software Assurance. Included in the FY16 budget is the purchase of three new Caselle modules, Human Resources (HR), Timekeeping, and Asset Management. Committing to move to Software Assurance now effective October 1, 2015 will save \$1,000 off one module, and will save money when it is time to upgrade from Caselle Clarity to Caselle Connect. The City Attorney has reviewed the contract.

**Councilor Witte moved to approve Caselle Software Maintenance and Support Agreement and authorize the Mayor to sign all necessary documents. Councilor Giles seconded. In a roll call vote Councilor Witte, Councilor Giles, Mayor Aymon, and Councilor Swanson all voted aye and the motion carried.**

**AB 15-147 2015 Local Option Sales Tax Initiative - Ordinance Review**

City Clerk BessieJo Wagner presented the Local Option Sales Tax Initiative. After months of Community Conversations and recapping all the information gathered, the Council reviewed taxing options for the 2015 Local Option Sales Tax Initiative at the July 23, 2015 City Council Meeting. After much discussion on what percentage to tax and what items to tax, the Council directed staff to prepare an ordinance for a 1% general sales tax excluding groceries and an additional 3% lodging tax.

**Councilor Swanson moved to direct staff to prepare a final ordinance and summary to be adopted at the August 27, 2015 City Council Meeting. Councilor Witte seconded. In a roll call vote Councilor Swanson, Councilor Witte, Mayor Aymon, and Councilor Giles all voted aye and the motion carried.**

**Upcoming Meetings Schedule Discussion**

Council discussed upcoming meetings.

## CONSENT AGENDA

Staff recommended approval of the following items:

1. City Council Regular Minutes – January 22, 2015
2. City Council Regular Minutes – February 26, 2015
3. City Clerk License Report
4. Payroll Report for Period ending – July 17, 2015
5. Payroll Report for Period ending – July 31, 2015
6. Warrant Registers

**Councilor Witte moved to approve the consent agenda as amended with minutes corrected. Councilor Swanson seconded the motion. In a voice vote all members voted aye and the motion carried.**

## EXECUTIVE SESSION

**At 9:26 p.m. Councilor Witte moved to go into executive session for Land Acquisition - Pursuant to Idaho Code §74-206 (1) (c) To acquire an interest in real property which is not owned by a public agency. Councilor Swanson seconded the motion. In a roll call vote Councilor Witte, Councilor Swanson, Mayor Aymon, and Councilor Giles all voted aye and the motion carried.**

## OPEN SESSION

**At 9:39 p.m. Councilor Swanson moved to return to open session. Councilor Witte seconded the motion. In a voice vote all members voted aye the motion carried.**

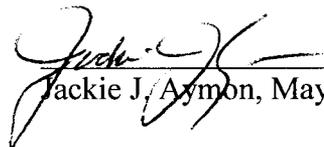
## ADJOURNMENT

**Without further business, the Mayor adjourned the meeting at 9:39 p.m.**

ATTEST:

  
BessieJo Wagner, City Clerk



  
Jackie J. Aymon, Mayor