CALL TO ORDER AND ROLL CALL

Mayor Aymon called the regular meeting of the McCall City Council to order at 5:30 p.m. Mayor Aymon, Councilor Giles, Councilor Scott, Councilor Swanson, and Councilor Witte all answered roll call.

City staff present was Gene Drabinski, City Manager; Bill Nichols, City Attorney; Linda Stokes, Treasurer; Peter Borner, Public Works Director; Michelle Groenevelt, Community Development Director; Nathan Coyle, Airport Manager; Dennis Coyle, Parks and Recreation Director; Traci Malvich, Human Resources Manager; Nathan Stewart, City Engineer; Delta James, City Planner; and BessieJo Wagner, City Clerk.

Mayor Aymon led the audience in the Pledge of Allegiance at 5:34 p.m.

APPROVE THE AGENDA

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

WORK SESSION

AB 15-135 Workforce Housing Discussion
Michelle Groenevelt, Community Development Director, presented the workforce housing discussion. The purpose of this work session is to discuss the issue of workforce housing, what role the City plays in this, and the planning that has occurred around this to date.
Councilor Witte asked about the last workforce housing workshop and the outcome. Ms. Groenevelt stated there were several regional meetings. There were no specific outcomes from those meetings and no more are scheduled. She did state that she was approached by several developers after the last project fell through who were watching with interest and had questions and ideas.

Councilor Swanson thought progress has been made with the new streamlined processes for building duplexes and accessory dwelling units. He asked if there are areas where density could be increased for future building development. Ms. Groenevelt stated that there are some incentives built into the Code. There is a 20% density bonus if more than 50% of the units are for affordable housing. There are also incentives for building height to go higher. However, no one has taken advantage of this yet. Ms. Groenevelt noted that without the tax credit programs there is not much interest because land is too expensive, but the Code can always be examined for opportunities to make it better.

Mayor Aymon stated the need is there and she does not think the workforce should have to live outside town to work here. People should be able to live where they work. If there are things the City can do to make that happen, she thinks it is important.

Councilor Swanson stated the Code incentives are there, but they are not utilized. The only other thing he sees is to offer land, or buy land and offer it.

Councilor Scott stated she would be interested in some education about the tools that may be there to utilize.

Knowing that 200 new housing units are needed, Mayor Aymon would like to know what kind of units that would be -- small houses, apartments, mixed housing?

Ms. Groenevelt stated that she and Delta James, City Planner, will be going to the Idaho APA Conference in October. Ms. Groenevelt would like to lead a conversation with all the communities that have issues with housing and share ideas.

Councilor Witte stated she wants to talk about use of the City Campus in the Comprehensive Plan. She is not convinced it is an appropriate use for housing. She wants to hear what other cities have done, especially those with lower tax bases. Continuing the regional effort is important. Councilor Scott stated one of the tools they should consider is increasing incentives if no one is taking advantage of them. Councilor Swanson added that most developers want land.

Ms. Groenevelt introduced Tom Manshreck from Northwest Integrity Housing in Boise. He was one of the developers who approached Ms. Groenevelt recently. He said the discussion Council is having is very healthy. Mr. Manshreck noted that the workforce housing business in resort communities is challenging. There are seasonal work issues for the family component. It takes a lot of resources to make these deals work. It is not unusual to have a very small permanent loan, a bunch of tax credit equity and supplemental financing, donated land, etc. All these tools together have to make it work. Using a 30% (of area median income) rent is a good affordable number the Cities are looking for, although it just barely covers operating costs so there is no money to pay even minimal debt service on a permanent loan, and this is what makes it challenging. Mr. Manshreck encouraged the City to be open and creative and look at land donations, fee waivers, etc. All of it is needed to make these deals work.
Mr. Manshreck mentioned that they were able to work with Fruitland to build housing and the City waived sewer and water hookup fees. Mayor Aymon asked what Fruitland did to make it successful. Mr. Manshreck illustrated that in the senior complex they just finished, Northwest Integrity Housing received assistance from the City ($168K in fee waivers), the land was sold for about $200K when it was appraised for $550K, and they received about a $375K loan (a grant). Mr. Manshreck mentioned that IHFA has about $3,200,000 annually in tax credits and they will get applications for about $10M to $12M. In most states the demand exceeds supply. In Idaho the incentives are to disperse the affordable housing out of the population centers, so the competitive incentive with Idaho Housing is to build in towns of 35,000 or less and developments of 36 units or less, so that is how the Housing Company came up with 36 units.

Mr. Manshreck explained why it is uncommon to build smaller housing complexes, like 20 units. The fixed costs are very similar for a 20-unit property as a 36-unit property, and the lower rents lowers the maintenance budget for the property, making it challenging to keep up a smaller property. With lower capacity and lower income, a smaller property wouldn't pay for itself. Mr. Manshreck explained that the developers really do not make that much money on these deals. The developer fee has to pay their staff and be able to carry them over to the next job, so it requires staying power.

Mayor Aymon asked about the percentage of projects done with donated land. Mr. Manshreck stated that in the last five transactions, three or four have had some significant contribution from the City, whether it be in the form of fee waivers, funds, money from an urban renewal district, etc. Mr. Manshreck pointed out that it is not just one thing. He encouraged Council to look at other cities and get creative.

Mayor Aymon stated the perception about low income housing was prohibitive. Mr. Manshreck stated that before any planning document is to be filed they meet with City staff, see what the expectations are, and immediately have a neighborhood meeting well before the application is filed. They ask the neighbors for input so they are engaged. Mr. Manshreck also pointed out that the range of income qualified people is large and includes not just service workers but many professions and seniors as well.

Council thanked Mr. Manshreck for his comments.

Ms. Groenevelt stated she will return with more tools and Staff will keep working on a regional level as well and try to figure out a strategy forward.

Mayor Aymon asked City Attorney Nichols about public land. Why is it special? Mr. Nichols stated it is special because the taxpayers paid for it. Title 50 states how property can be disposed of and there are limitations on how it can be done. Housing authorities have more flexibility with regard to what they can do with property because there are some cases out there that say a housing authority is not subject to some of the constitutional limitations that cities and counties are subject to, so there is some flexibility that way. Each individual situation needs to be considered. The one flexibility that cities still have today is the ability to enter into leases without a lot of sideboards on them, so a city can lease property for a nominal amount for an extended period of time for a particular purpose, where the land can not be sold for the same purpose. That is how the McCall Avenue parcels came about.
Mayor Aymon asked City Attorney Nichols if public land can be sold for housing or it has to be for public use only. Mr. Nichols stated there is a public aspect to workforce housing, but at the same time housing is being provided for someone to live in, and in some ways the argument is that the City would be in competition with private enterprise, which is a delicate position. Much of this depends on the proper definition of public use. Some things are easy, such as public buildings, but to segregate something to where it becomes private property creates issues.

PUBLIC COMMENT

Mayor Aymon called for public comment at 6:12 p.m.

Tom Kerr read the news story that the City is going to tear down the Annex and build a new structure. He worked on a crew that surveyed the original building before it was built. He noted that the foundation encroached into the roadway about 5 feet. He was told that this was because the building had to be moved forward to allow parking in back. He wanted to bring this to the attention of Council because he does not think it is appropriate to perpetuate the encroachment.

Hearing no further comments, Mayor Aymon closed the public comment period.

PRESENTATION

AB 15-111 Idaho Road Scholar Program Certificate of Completion Presentation to Cris Malvich and Kraig Newcomb

Peter Borner, Public Works Director, presented Road Scholar Program Certificates to Cris Malvich and Kraig Newcomb of the Public Works Streets Division after completing the Road Scholar Program.

PROCLAMATION

AB 15-132 A Proclamation of Recommitment to Full Implementation of the Americans with Disabilities Act On the 25th Anniversary of the Act

BessieJo Wagner, City Clerk, presented this proclamation. This year marks the 25th anniversary of the passage of the Americans with Disabilities Act, which was signed into law by President George Bush 25 years ago on July 26, 1990. The purpose of this Act is to ensure the civil rights of people with disabilities and to provide a clear and comprehensive national mandate for the elimination of discrimination against individuals with disabilities. It is also the purpose of this Act to provide clear, strong, consistent, enforceable standards addressing discrimination against individuals with disabilities. The ADA has expanded opportunities for Americans with disabilities by reducing barriers and changing perceptions, and promoted full participation in their community, city, county, state, country, and life.

Councilor Witte moved to proclaim Friday, July 24, 2015, to be Americans with Disabilities Act Awareness Day and authorize the Mayor to sign the proclamation. Councilor Giles seconded the motion. In a roll call vote Councilor Witte, Councilor Giles, Mayor Aymon, Councilor Scott, and Councilor Swanson all voted aye and the motion carried.
AB 15-127 McCall Area Planning and Zoning Commission Annual Report to City Council
Fallon Fereday, Planning and Zoning Chair, presented the McCall Area Planning and Zoning Commission annual report to City Council. Ms. Fereday highlighted the number of land use applications submitted (86 in 2014, 53 so far in 2015). The Verizon Wireless cell phone tower was the most controversial project with the most public comment, helping the commission to better define the public hearing process. The group currently has six commissioners with one vacancy for an impact area representative. The Commission went paperless to cut down on paper, using tablets. Some code revisions that have taken place were regarding large-capacity short-term rentals having a conditional use permit, also the CUP was removed for accessory dwelling units to support the development of mixed residential and possibly allow for more available housing. Ms. Fereday gave an update on some of the work session topics that were considered throughout the year such as tree removal, fire mitigation, and shoreline development.

Mayor Aymon commended the Planning and Zoning Commission on the way it handled the Verizon cell tower meetings. Delta James, City Planner, elaborated on the residential development standards and fire mitigation.

AB 15-128 McCall Area Planning and Zoning Commissioner Term Renewal
Delta James presented this request for a term renewal for a Planning and Zoning Commission member. Fallon Fereday was appointed to the Planning and Zoning Commission in July of 2012 for a three-year period, which expires this month. Ms. Fereday has agreed to seek reappointment. Staff recommends that Council reappoint Ms. Fereday to the Planning and Zoning Commission for another three-year term to expire in July of 2018.

Councilor Scott moved to appoint Fallon Fereday as McCall Area Planning and Zoning Commissioner for a term of three years, expiring July 2018. Councilor Swanson seconded the motion. In a roll call vote Councilor Scott, Councilor Swanson, Mayor Aymon, Councilor Giles, and Councilor Witte all voted aye and the motion carried.

AB 15-137 Recycle Center Relocation – Lease Agreement between the City of McCall and Valley County
Delta James, City Planner introduced the request for approval of this Lease Agreement with Valley County. This agreement is between the City of McCall and Valley County for relocation of the Recycling Center to a location off of Industrial Loop, which would actually be on City property with the wastewater treatment facility but accessed through the lot that Lakeshore Disposal currently operates. The Lease Agreement may not be necessary, but it is one option that Staff would like to have available as we try to move quickly to accommodate relocation of the Recycling Center. The road that will access The Springs Phase 2 will go where the Recycling Center currently is located. The Lease Agreement has been reviewed by the City Attorney. After completing a site analysis, all parties agreed that the best City owned location was to access through the Lakeshore Disposal property.

Gordon Cruickshank, County Commissioner, addressed the Council. He noted that the main concern of entering the property through Lakeshore Disposal is the long-term viability of that agreement, should there be a change in ownership. The County will continue to look at other sites that would be a better long-term solution.
Mayor Aymon asked if the owners of the property used by Lakeshore Disposal were agreeable to this arrangement. Commissioner Cruickshank stated that it was discussed, although Lakeshore's lease is up for that property, so now would be an appropriate time to renegotiate that lease. Alternatively, the County is also exploring a private property to provide an even better location for the Recycle Center. If this option becomes a reality, then the Lease Agreement would not need to be executed. The Lease Agreement is being presented to keep all options on the table given the timeline of The Springs Phase 2.

Peter Borner, Public Works Director, expressed some concern with a long-term lease as it may affect future improvements to the wastewater treatment facility. Mr. Borner had concerns about trash, access to the facility, and limiting access to the wastewater treatment facility, requiring fencing. With the lease being only for five years Mr. Borner thought that would be a good minimum timeframe that would not conflict with major improvements in that portion of the wastewater treatment facility. Ms. James clarified that the lease does stipulate that a fence would be installed at the cost of the Lessee, designed to keep recycling materials from migrating off the premises.

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

**AB 15-126 PUD-15-01: McCall RV Resort Expansion Adoption of Findings of Fact and Conclusions of Law**

Delta James, City Planner, presented the PUD-15-01: McCall RV Resort Expansion Adoption of Findings of Fact and Conclusions of Law to Council. At its June 2, 2015, meeting, the McCall Area Planning and Zoning Commission recommended approval of the PUD to City Council, subject to the conditions presented in the attached Staff Report, and draft Findings and Conclusions.

At its July 9, 2015, meeting the McCall City Council unanimously approved the PUD general plan, subject to the adoption of Findings of Fact and Conclusions of Law that include conditions of approval recommended by the McCall Area Planning and Zoning Commission and an additional condition that requires Rivers Crossing HOA notification of Planning and Zoning and City Council consideration of PUD Final Plan and written comment from the HOA to be considered of the PUD Final Plan for Phase 3 (see attached Findings of Fact and Conclusions of Law – specifically, condition number 20).

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

**AB 15-129 FY14 LOT Funding Extension Request for Public Art at Rotary Park**

Delta James, City Planner, presented a request to extend FY14 Local Option Tax funding for a public art project at Rotary Park. The Rotary Park project was funded in FY14 with Local Option Tax funds. The initial request was for the amount of $12,000. After deliberation the project was funded $3,195 and was notified of funding on November 20, 2014. Typically these funds are
required to be expended within one year of the funding notification, but due to the difference between the requested amount and the funded amount, the City sought a grant to Idaho Commission on the Arts to make up that difference and a grant was awarded in the amount of $6,503. At present there is not enough time to implement it within that initial one-year funding period, so Staff requests an extension of the FY14 Local Option Tax funding for Rotary Park until September 30, 2016.

**Councilor Giles moved to approve extension of FY14 LOT funding for Rotary Park Public Art project to September 30, 2016. Councilor Witte seconded the motion. In a roll call vote Councilor Giles, Councilor Witte, Mayor Aymon, Councilor Scott, and Councilor Swanson all voted aye and the motion carried.**

**AB 15-138 Request for a waiver to have a 4-H member keep market animal(s) in the R4 Zone**

Delta James, City Planner, presented the request for a waiver to have a 4-H member keep a market animal in the R4 Zone. The McCall City Council received an email on July 5, 2015 from Solveig Sinclair, a 12-year old, Valley County 4-H member. She is interested participating in 4-H with a market animal, a steer. She was hoping there would be a waiver for 4-H members to keep market animals in city limits. Her home is located in the City limits on Conifer Lane in the R4 (4 units/acre) - Low Density Residential zone.

Ms. James noted that there really is no process for a waiver from established land use regulations, and so in order to allow that common farm animal it would require a code amendment. Ms. James asked that Council give direction to Staff on farm animals in residential zones and suggested that this request be denied at this time until such time that a code amendment is made.

Mayor Aymon thanked Ms. Sinclair for making the inquiry and appreciated her work and her passion for 4-H.

**Councilor Giles moved to deny the waiver and provide direction to Staff on farm animals in residential zones of no changes to current City Code. Councilor Swanson seconded the motion. In a voice vote all voted aye and the motion carried.**

**Councilor Scott was recused for the following item.**

**AB 15-136 Will Serve Cancellation Objection**

In 2014 City Council adopted Resolution 14-15, which established an inventory of issued will serve commitments for development applications which have expired, providing a procedure for revocation of expired water system will serve commitments, providing a process whereby property owners may protest the revocation of water system will serve commitments, and providing for a hearing before the City Council.

In the middle of February 2015 letters were sent out to a number of property owners whose development applications have expired. Within the required 30 days, only two objections were received. One was from Sabala Whitetail objecting to the cancellation of will serve letters for Timbercrest Countryside.
Whitetail Sabala recently was granted approval to amend the Whitetail PUD Final Plan. As part of this plan, Whitetail Sabala is proposing to complete the Timbercrest Countryside development. There will be no change in the number of will serve commitments. Public Works has no objection to rescinding the cancellation of will serve letters for this development.

Councilor Giles moved to approve Public Works rescission of the cancellation of will serve commitments for Timbercrest Countryside as part of the amended Whitetail PUD Final Plan. Councilor Witte seconded the motion. In a roll call vote Councilor Giles, Councilor Witte, Mayor Aymon, and Councilor Swanson all voted aye and the motion carried.

**AB 15-139 Personnel Policy Manual Amendment – Resolution 15-12**
Traci Malvich, Human Resources Manager, presented the Personnel Policy Manual Amendment – Resolution 15-12 to Council. The Mayor and Council adopted the current Personnel Policy Manual in September 2013. Recognizing a need to provide one place for citizens to find laws relating to government transparency, the adoption of House Bill 90 by the State Legislature moves existing public record, open meeting, ethics in government, and prohibition against contracts with officers statutes into a new title called Transparent and Ethical Government. With the passage of House Bill 90, which repeals many sections of the State Statutes and replaces them with a new Title 74, we need to update our policies and amend them if they reference any of the following:

1. Chapter 7, Title 59, Idaho Code, is repealed.
2. Chapter 2, Title 59, Idaho Code, is repealed.

Ms. Malvich discussed the other areas of the Personnel Policy Manual that needed to be revised and or updated based on recommendations from ICRMP.

Councilor Witte moved to approve Resolution 15-12 adopting the amended Personnel Policy Manual and authorize the Mayor to sign all necessary documents. Councilor Scott seconded the motion. In a roll call vote Councilor Witte, Councilor Scott, Mayor Aymon, Councilor Giles, and Councilor Swanson all voted aye and the motion carried.

**AB 15-134 McCall Municipal Airport Overnight Aircraft Parking Fee Waiver Request During Fly-In & Open House**
A group of community members have been planning an airport fly-in and open house to occur on Saturday, August 1, 2015 and the morning of Sunday, August 2. The venue will provide attractions for pilots and the general public alike, and will be available to the public with no entrance charge. It is anticipated that the fly-in will draw many pilots to the airport, and that these pilots will spend 1 to 2 nights in McCall for the event. The group of event planners has requested consideration on behalf of the City of McCall to waive overnight parking fees for single and light piston twin aircraft with a gross weight less than 6,000 pounds for the night of Saturday, August 1. The overnight parking fee for these aircraft is $5 per night. With a rough estimate of 40 aircraft which could potentially spend the weekend at the airport for this event the impact to revenue from this fee waiver would be $200 total. It is anticipated that pilots attending this event will purchase fuel at the airport from which the airport receives a fuel flowage fee ($0.08 per gallon) thereby producing some revenue from the event. It is important to note that this event, and others like it, is critical to maintaining and perhaps enhancing the overall health of general aviation in the region.
Councilor Giles felt that charging $5 for parking seems nominal for a pilot and doubted it would keep pilots from attending. Mayor Aymon commented that it would be a show of goodwill, and Councilor Swanson agreed.

Councilor Swanson moved to waive overnight parking fees at the McCall Municipal Airport for single and light piston twin aircraft with a gross weight less than 6,000 pounds for the night of August 1, 2015. Councilor Witte seconded the motion. In a roll call vote Councilor Swanson, Councilor Witte, Mayor Aymon, and Councilor Scott all voted aye and the motion carried. Councilor Giles voted no.

AB 15-131 ITD Key #13471 – SH-55 A.D.A. Pedestrian Improvements – 2015 Request to Approve a Public Works Construction Contract Award

Nathan Stewart, City Engineer, presented this request to award a contract for Public Works construction within the State's right-of-way downtown. The Streets Department has received a $100,000 grant from ITD to complete various sidewalk curb ramp improvements within the Highway 55 right-of-way to improve compliance with the American Disabilities Act (ADA). The areas improved would be in front of Art Roberts Park, 2nd Street, 1st Street, and in particular, the Yacht Club. Bids were solicited in June and two were received. The low bidder was Richard L. Jordan with a total bid proposal of $114,743.86. As the bid alternate system was used, Mr. Stewart noted Bid Alternate #3. There was interest from property owner Krahn Furniture to add a planter in the area between the Krahn property and the Yacht Club property. In an effort to accommodate those interests, and knowing that there was some additional funding in our LOT grant for sidewalk improvements throughout town, the work was isolated for the planter and a pole base so that a future light pole could be put there if needed. Given that, we are recommending an award of this contract to Richard L. Jordan in total of $114,743.86.

Councilor Witte moved to authorize staff to issue a “Notice of Award” to Richard L. Jordan, approve the contract, and authorize the Mayor to sign all contract documents. Councilor Giles seconded the motion. In a roll call vote Councilor Witte, Councilor Giles, Mayor Aymon, Councilor Scott, and Councilor Swanson all voted aye and the motion carried.

AB 15-140 Request to Approve the Community Choices ITD State and Local Agreement

Nathan Stewart, City Engineer, presented this request as the next step in the Community Choices grant project that is being funded, in large part, by the McCall Redevelopment Agency (MRA). Mr. Stewart reviewed the timeline and the steps that have taken place to get to this point. The State and Local Agreement (SLA) awarded on March 7, 2014 authorized Keller Associates and their consulting team to do all of the final design work. Mr. Stewart has met with ITD to review the plans and specifications. ITD has given their comments back to Keller, and Keller has submitted all of their final documentation. The State and Local Agreement that is now up for approval will put a lot of project responsibility back in ITD's hands to go through the bidding process. They will also request the City to recommend a Construction, Engineering, and Inspection (CE&I) consulting team to do all of the management of the Contractor that is required. It is scheduled to be bid in November, which is an ideal time to schedule the bid so the contractors have time to get their plans in place and provide the lowest bid possible. Mr. Stewart added that he expects this to go to bid in mid to late November, and it is slated to begin construction in late March. Mr. Stewart thinks that most of the work will not start until May but some trees have to be removed before the nesting season starts.
Mayor Aymon commented that the transaction seems complicated, and Mr. Stewart agreed. He noted that the project is considered complex to ITD because trees and irrigation systems are being installed, which is normally outside of their scope. Mr. Stewart stated that the actual construction estimate for this project is $270,000 including estimated wages for Valley County as well as a "McCall factor" to try to inflate that construction estimate because bid alternates cannot be used in this situation. Staff has pared back some of the work that is going to be done until the actual bid results are received and better decisions can be made at that time on how much work is to be done.

Councilor Giles moved to adopt Resolution 15-13 authorizing the Mayor and City Clerk to enter into, on behalf of said municipality, a cooperative agreement between the City of McCall and the Idaho Transportation Board for construction of Redevelopment Area Sidewalk Improvements 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, Councilor Scott, and Councilor Witte all voted aye and the motion carried.

AB 15-130 Ordinance to Adopt Amendments to the McCall City Code Title 1
During their 2015 regular session, the Idaho Legislature enacted House Bill 216 which put into effect the repeal of Idaho Code 50-501 and the preemption of all city ordinances regarding initiatives and referenda related to municipal ordinances and codes. House Bill 216 was signed by the Governor on April 6, 2015, and became effective July 1, 2015. Therefore additions to Idaho Code Title 34, Chapter 18, now govern city initiatives and referenda so that McCall City Code §1.6.1 is no longer necessary. Attached is the amending ordinance which has been reviewed by the city attorney.

Councilor Scott moved to read by Title only one time only Ordinance 935. Councilor Swanson seconded the motion. In a roll call vote Councilor Scott, Councilor Swanson, Mayor Aymon, Councilor Giles, and Councilor Witte all voted aye and the motion carried.

Ordinance 935 was read by title only one time only by BessieJo Wagner City Clerk:
An ordinance of The City of McCall, Valley County, Idaho, repealing McCall City Code §1.6.1 and providing an effective date.

Councilor Scott moved to adopt Ordinance 935 repealing McCall City Code section 1.6.1 and authorize the Mayor to sign all necessary documents. Councilor Swanson seconded the motion. In a roll call vote Councilor Scott, Councilor Swanson, Mayor Aymon, Councilor Giles, and Councilor Witte all voted aye and the motion carried.

AB 15-133 Results of the Community Conversation and Feedback for the Local Option Tax Initiative
Gene Drabinski, City Manager, presented the Results of the Community Conversation and Feedback for the Local Option Tax Initiative to Council. At the July 15, 2015 Community Conversations, the Council received feedback from the community regarding the Local Option Sales Tax initiative. After months of conversations, formal and informal, in person and on-line, staff is presenting the following proposed ordinance model:

1. A local option tax for the period of 10 years.
2. The following tax increments:
   a) 1% general sales tax on all taxable sales, excepting groceries and motor vehicle sales.
b) An additional 6% tax for hotel/motel and short term rentals.
c) An additional 3% tax on restaurant meals.
d) An additional 3% tax on sports / recreation equipment rentals.

Using current conservative estimates, this would raise at least $1.4 million. With the slack in the estimates and expected growth in the short-term rental market (Rustic Inn remodel, RV resort expansion, etc.), this model should reach our minimal goal for annual revenue.

City Manager Drabinski noted that this proposal should serve as a “straw man” to get the conversation started, not a model Staff is prepared to advocate. He then opened the floor to Council for discussion.

Councilor Giles stated he would like to see a 3% liquor-by-the-drink tax as it seemed like a popular idea at the Community Conversations meeting. Councilor Scott agreed. Councilor Witte expressed concern that the Fair Wage initiative will also be on the ballot, making restaurant owners feel like they are getting hit from both sides and vote against it.

Councilor Swanson stated that he thought a 1% general sales tax is viable without food, and a 3% or 4% increase in the occupancy tax would also be viable. He expressed concern that adding any more taxes than that would get confusing to the voters and likely not pass. He thought that the estimates presented appear to be fairly conservative.

Mayor Aymon stated that Ketchum did not start with a huge menu of taxes but they were added over time.

Mayor Aymon would like to add sports equipment rentals because they would bring in more revenue, so she would favor a total of 1% general, 3% hotel, and 4% sports rentals.

Councilor Giles stressed the importance of using input from the public forums and having good reasons for the final options that they choose. Mayor Aymon did not feel there was enough attendance at the last meeting to have good feedback from that, but rather they keep the choices down to just a few so they have the best shot at passing. Councilor Swanson agreed with keeping the choices down to just a few because it would be too much for the taxpayers to bear if they were all passed at one time.

Councilor Giles suggested that they phase in only a small number, as learned from other communities, then plan to come back and add additional taxes in the future.

Gordon Cruikshank, Valley County Commissioner, asked if there has there been consideration of the additional fuel tax the City will get. There could perhaps be an additional $20,000 there. Council discussed what that percentage might be.

After further discussion Council agreed to go with a 1% general sales tax to exclude food and vehicles and a 3% additional bed tax for a 10-year term. Staff will draft an ordinance for review at the next meeting.

**Upcoming Meetings Schedule Discussion**
Council discussed upcoming meetings. Interviews of City Manager candidates start tomorrow morning (Friday, July 24).
CONSENT AGENDA

Staff recommended approval of the following items:
1. Regular Council Minutes – February 12, 2015
2. Alcohol and Catering Licenses Activity Report
4. Warrant Registers

Councilor Witte moved to approve the Consent Agenda as presented. Councilor Swanson seconded the motion. In a voice vote all members voted aye and the motion carried.

ADJOURNMENT

Without further business, the Mayor adjourned the meeting at 8:09 p.m.

ATTEST:

Jackie J. Aymon, Mayor

BessieJo Wagner, City Clerk