

# MINUTES

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**McCall City Council  
Regular Meeting  
Legion Hall (McCall City Hall - Lower Level)  
March 12, 2009**

## Agenda

Call to Order and Roll Call  
Department Reports  
Public Comment  
Consent Agenda  
Business Agenda  
Council Discussion  
Committee Minutes  
Executive Session  
Adjournment

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

**Mayor Kulesza called the regular meeting of the McCall City Council to order at 5:30 p.m. Council Member Bailey, Council Member Delaney, Mayor Kulesza, Council Member Scott, and Council Member Witte answered roll call.**

In addition to the Council Members, present were Lindley Kirkpatrick, City Manager; Bill Nichols, City Attorney; John Anderson, Airport Manager; David Simmonds, Information Systems Manager; Michelle Groenevelt, Community Development Director; Brock Heasley, Parks and Recreation Director; Linda Stokes, Acting Treasurer; and BessieJo Wagner, City Clerk.

**Mayor Kulesza amended the agenda to add an executive session, move the consent agenda to after the business agenda, remove AB 09-40 and AB 09-41 from the business agenda and move AB 09-43 to the business agenda from the consent agenda.**

## **DEPARTMENT REPORTS**

### **City Manager Report**

Mr. Kirkpatrick presented the City Manager's report. He highlighted that the budget calendar has been started and that there are several special council meetings to start the budget process. He brought to the Council's attention that Eric McCormick, Golf Superintendent, had attended some golf shows to promote the Golf Courses in the area. He stated that Carol Coyle, Grant Coordinator, and Brock Heasley, Parks and Recreation Director, are presenting a grant application for Land and Water Conservation funds and, if awarded, these funds would be used to purchase the Forest Service property for Riverfront Park.

### **The Consolidated Department Head Report**

Mayor Kulesza commented on the meeting on the taxiway separation that covered the analysis and purpose and need, and then the proposed alternatives. At the end of the meeting the contractor polled the Environmental Assessment Committee to see which alternative they preferred. Half were for the minimum, and the other half preferred the maximum. None chose the middle option. As a result, the contractor will come back and present an analysis to the Council and then the Council will select the alternative to carry forward.

In response to Council Member Scott's question on the status of the sewer service at the airport, Mr. Kirkpatrick stated that the City had submitted the project as part of the stimulus funding package. In response to Council Member Delaney asked about the temporary solution of holding tank, Mr. Kirkpatrick stated that the City is waiting to see what happens with the stimulus money.

Council Member Scott asked clarification of the applicants eliminated during background checks for the Police Department, if the number the City is seeing is within the norm. Mr. Kirkpatrick stated that the number is not out of the norm in comparison to other cities.

**Mayor Kulesza led the audience in the Pledge of Allegiance at 6:02 p.m.**

### **PUBLIC COMMENT**

**Mayor Kulesza called for public comment at 6:03 p.m.**

**Hearing no comments, Mayor Kulesza closed the public comment at 6:03 p.m.**

### **BUSINESS AGENDA**

#### **AB 09-47 Annual Audit Report for FY08**

The annual Audit Report was presented to Council by Bobby Lawrence from EideBailly. Mr. Lawrence discussed the audit documents with the Council and answered questions during the process.

Mr. Lawrence brought up the current economic situation as a climate risk for fraud. He stated that it is very important to have controls in place to deter any internal theft potential.

#### **AB 09-42 SUB-05-02: Spring Mountain Meadows Amended Design Guidelines - Not a public hearing.**

Michelle Groenevelt, Community Development Director, stated there were three changes proposed for the Spring Mountain Meadows Design Guidelines:

1. Square footage reduced
2. Allow one car garage as apposed to two car garages
3. Remove the log exterior requirement

**Council Member Delaney moved to adopt the First Amended Spring Mountain Meadows Design Guidelines and authorize the Mayor to sign all necessary documents. Council**

**Member Scott seconded the motion. In a roll call vote, Council Member Delaney, Council Member Scott, Council Member Bailey, Mayor Kulesza, and Council Member Witte all voted aye and the motion passed.**

Council Member Scott recused herself at 6:36 p.m.

**AB 09-43 Council Contingency Funds**

**Council Member Delaney moved to authorize the use of \$1,113.75 from Council Contingency (10-41-750-990) to pay the invoice from Epikos Land Planning & Architecture as part of the negotiations with McCall Aviation, (the Council consulted with an architect regarding possible design changes to the proposed building.) Council Member Bailey seconded the motion.**

Discussion on the motion:

Council Member Witte asked if it was the right place to put the funds and wanted it clarified that it was not a Council decision to do this, but a mediation decision. Mr. Kirkpatrick clarified that it comes out of the general fund and that it was appropriate to come out of the Council Contingency line rather than over run a line in a different department. He stated that if the Council would prefer it from a different line item it can change. The purpose, in part, of the Council Contingency fund is for situations like this one. Council Member Witte wanted it clarified that this was not a Council decision as a whole but a decision made by representatives of the Council during the mediation process.

**In a voice vote, all members voted aye and the motion passed.**

Council Member Scott rejoined the meeting at 6:42

**AB 09-46 VARHA proposal regarding the McCall Avenue homes**

Michael David, Director of VARHA, presented a proposal to Council to enable the McCall Avenue homes to remain community workforce housing. He went through the history of the McCall Avenue homes. He stated that they have spoken with the bank and the bank is willing to loan VARHA the money to purchase the remaining homes if the City deeds the land under the homes to VARHA and agrees to remove the last deed restriction from the covenants. If the City agrees then VARHA would attempt to sell the homes to local employees, local employers, and retirees. If they are unable to sell to the specified group they would then put them on the open market to sell. Under this agreement, Mr. David stated that VARHA would maintain ownership of one of the homes to use as a rental for low income families.

Connie Hogland, Neighborhood Housing Services (NHS), stated that there were three that sold initially and one of those three is now in foreclosure. So there are two that are currently occupied and one that is set to close soon. That leaves five for sale by NHS and one in foreclosure equaling six vacant homes.

Mayor Kulesza acknowledged that Idaho First Bank has worked with NHS and is willing to work with VARHA with this proposal.

Mr. David stated that the problems that have been faced when trying to sell these units are with the deed restriction and the lease of the land. There was some opinion that the lease should not be a deterrent as the \$1 a year for 99 years and there is no property tax to pay.

Mayor Kulesza stated that it is a valuable piece of property, and if the City did agree to the proposal, what is the benefit to the City. Mr. David responded that the benefit for the City is a perception issue. Mayor Kulesza also posed the question of if they are able to sell them or rent them to the targeted group, why does he think that those homes would sell in the next two weeks. Mr. David indicated that if the restrictions were gone there are some people interested in purchasing the homes. Mayor Kulesza countered with the question that why wouldn't someone make a contingency offer that states they would buy if the restrictions would be lifted.

Dave Carter, a local realtor, stated that he finds it very difficult to bring buyers to the table with contingencies. Council Member Bailey asked for an estimated price the homes could be sold for with the land included. Mr. Carter stated probably \$130,000-\$145,000. Council Member Witte asked how much interest had been shown in the homes; Mr. Carter stated that they have had 6-15 inquiries.

In response to Mayor Kulesza's question, Mr. Carter stated that those expressing interest in purchasing the homes are equally concerned with the owner occupied restriction and the land lease issue.

Mr. David stated that he would need \$50,000 in equity to be able to purchase one unit, so at least two units would have to be sold at about \$140,000. He also stated that VARHA would offer to sell the land to the current home owners for a nominal price.

Jerry Jutting, Idaho First Bank stated that the amount of the loan is \$580,000, and is seriously delinquent, between 6 houses that would be approximately \$96,000 per house. He stated that foreclosure is eminent and costs about \$2500 a piece, times 6, equal another \$15,000 in costs to the bank. He stated that without the owner occupied restriction they would probably sell. He also stated that the time it takes to foreclose is about a four month process. He stated that with VARHA they would do a transfer of debt from NHS to VARHA.

Council Member Bailey feels that the homes need to be occupied and if they do not get occupied they will be a continued problem.

Mayor Kulesza stated that either scenario the houses would sell; he also wants to get the houses occupied. The value of the land in the long term could be very valuable, and could generate future revenue for the City.

Originally VARHA would have proposed to get the land in the beginning if they had been an established organization.

Council Member Scott stated that she was not comfortable conveying the land.

Council Member Delaney stated that she appreciates the fact that VARHA and NHS have tried to keep it community housing. She feels that the potential value of the land in the future would be a reason to not convey the land to VARHA.

Connie Hogland stated that if the bank goes through foreclosure, it would go on their record and would seriously damage their credit. She asked that the City make it happen for the sake of the community, NHS and the bank.

There was some discussion on the lease and the restrictions that the lease imposes.

Mayor Kulesza stated it would be easier to give up all restrictions than it would be to give up the lease.

The item will come back to the Council at the next Council Meeting to give the City Attorney and opportunity to look at the legality of the leases and covenants in the case of a foreclosure.

#### **AB 09-48 LOT Commission membership & FY09 budget**

It was identified that there were three vacancies on the LOT commission, the Senior Citizen representative, the At large representative and the other Committee Member representative. There was some discussion to clarify what those definitions are. The consensus of the Council defined Senior Citizen as a person at or over the age of 65, the At large representative would be a City resident and the other is a person serving on one of the City's committees.

It was discussed that if revenue is less than the projected amount for the LOT funds, whether to have the LOT Commission reprioritize the Funding Matrix, or wait. Mr. Gleason stated he would look into the need of the amounts that were currently scheduled to see if there are areas where they can trim some funding.

Mr. Snodgrass stated that it is time to start looking at the Ordinance as it comes due in two years.

There was some discussion on the need of the Golf Course, and if there may be Council Contingency funds to assist with their request. It was also discussed as to reallocating the LOT funds making the revenue for Golf available sooner than currently scheduled.

## **CONSENT AGENDA**

Staff recommended approval of the following items:

- Minutes from January 22, 2009
- Warrant Register printed on March 5, 2009
- Payroll Report for Period ending February 20, 2009
- AB 09-38 Alcohol Beverage Catering Permits
- AB 09-39 2009 Business Licenses Not Renewed
- AB 09-45 Treasurer Appointment – Linda Stokes
- AB 09-44 Airport - Bid Award Snow Removal Equipment

Some discussion took place to correct the minutes and clarify the warrant register.

**Council Member Delaney moved to approve the Consent Agenda with the minutes corrected and the amendment to the Snow Removal Equipment. Council Member Scott seconded the motion. In a roll call vote, Council Member Delaney, Council Member Scott, Council Member Bailey, Mayor Kulesza, and Council Member Witte all voted aye and the motion passed.**

## COUNCIL DISCUSSION

Council Member Scott asked if there had been a response to the letter from the veterinarian about McPaws, which they had received earlier in the year. She stated that she would collect the information to respond.

## COMMITTEE MINUTES

The Council received copies of the following minutes:

- McCall Improvement Committee – February 12, 2009
- City of McCall Aviation Advisory Committee – February 5, 2009

## EXECUTIVE SESSION

At 9:00 p.m. Council Member Delaney made a motion to go into executive session for personnel discussion and evaluation – Pursuant to Idaho Code §67-2345(1)(b). Council Member Witte seconded the motion. In a roll call vote Council Member Delaney, Council Member Witte, Council Member Bailey, and Mayor Kulesza all voted yes and the motion carried.

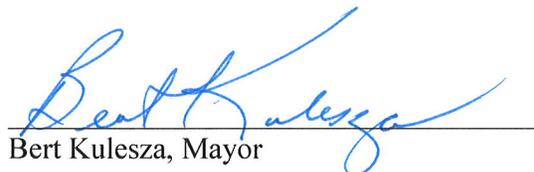
## ADJOURNMENT

Without further business, the meeting was adjourned at 10:12 p.m.



ATTEST

  
BessieJo Wagner, City Clerk

  
Bert Kulesza, Mayor