

MINUTES

**McCall City Council
Regular Meeting
McCall-Donnelly High School Commons
September 10, 2009**

Agenda

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

CALL TO ORDER AND ROLL CALL

Mayor Kulesza called the regular meeting of the McCall City Council to order at 5:00 p.m. Council Member Bailey, Council Member Delaney, and Mayor Kulesza answered roll call. Council Member Scott and Council Member Witte were absent.

Lindley Kirkpatrick, City Manager; and Bill Nichols, City Attorney; were also present.

Agenda Amendment

Council Member Bailey moved to amend the agenda to add an Executive Session to the beginning of the meeting regarding discussion of pending or threatened litigation and possible Council action to address the subject of the Executive Session. The amendment was necessary because the City's Attorney determined the pending or threatened litigation may need Council action. Council Member Delaney seconded the motion. In a roll call vote Council Member Bailey, Council Member Delaney, and Mayor Kulesza all voted yes and the motion carried.

EXECUTIVE SESSION

Council Member Bailey moved to go into executive session for Litigation – pursuant to Idaho Code §67-2345(1)(f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Council Member Delaney seconded the motion. In a roll call vote Council Member Bailey, Council Member Delaney, and Mayor Kulesza all voted yes and the motion carried.

RETURN TO OPEN SESSION

The Meeting returned to open session at 5:06 p.m.

ADDED ITEM - Discussion of pending or threatened litigation and possible Council action to address the subject of an executive session

Council Member Bailey moved to accept ICRMP's resolution of the Walter Eisenstein issue and authorize the Mayor to sign all necessary documents. Council Member Delaney seconded the motion. In a roll call vote Council Member Bailey, Council Member Delaney, and Mayor Kulesza all voted yes and the motion carried.

Mayor Kulesza recessed the meeting at 5:10 p.m.

CALL TO ORDER AND ROLL CALL

Mayor Kulesza reconvened the regular meeting of the McCall City Council at 5:30 p.m. Council Member Bailey, Council Member Delaney, Mayor Kulesza, and Council Member Scott answered roll call. Council Member Witte was absent.

City staff present were Lindley Kirkpatrick, City Manager; Bill Nichols, City Attorney; Jerry Summers, Police Chief; Eric McCormick, Golf Course Superintendent; John Anderson, Airport Manager; Michelle Groenevelt, Community Development Director; Linda Stokes, City Treasurer; Dave Simmonds, Information Technology Manager; and BessieJo Wagner, City Clerk.

COUNCIL WORKSESSION

City Manager Report

Mr. Kirkpatrick presented the City Manager's report. He gave a brief update on the status of some of the parks, stating that Legacy Park has a lot of potential for events and will contribute to the goal of local economic development. He stated that Art Roberts Park should be completed by the following week, and the expenses incurred were as budgeted. The Parks Director has been working with the Department of Lands on the noxious weeds issue.

The Consolidated Department Head Report

Mayor Kulesza would like to discuss the strategy for purchasing the land next to airport with John Anderson, Airport Manager. It was decided that it would be a topic for a future Council agenda. Mr. Anderson also clarified that there would be a memo to Council regarding the status of the Environmental Assessment that is being done at the airport and what the cost difference would be for a 50 foot taxiway versus a 35 foot taxiway.

Council Member Delaney had a concern with rebuilding the green on Aspen at the Golf Course. She questioned whether it was good timing to do at that time. Eric McCormick, Golf Superintendent, clarified that it is a long term project.

Council Member Delaney had a question on the DEQ required river testing noted on the department report from Public Works. She would like for the Council to be kept up-to-date as to the results of the testing and whether the big pond liner is indeed leaking.

Mayor Kulesza commented on what the economic impact of the golf shows has on the City of McCall and would like that to be monitored. Mayor Kulesza also commented on the noxious weed program and suggested that the City work with the Idaho Department of Lands to better address the issue.

Mayor Kulesza thanked Bob Hunt for his donation of the Sheep Bridge. The bridge was dedicated to Bill Keating, former Public Works Director.

Council Member Bailey suggested that the City consider bringing in a consulting company, Centra, to supply information on the Wastewater Facility Plan.

Mayor Kulesza led the audience in the Pledge of Allegiance at 5:59 p.m.

PUBLIC COMMENT

Mayor Kulesza called for public comment at 6:01 p.m. Hearing no comments, Mayor Kulesza closed the public comment.

CONSENT AGENDA

Staff recommended approval of the following items:

- Warrant Register printed on 9/04/09
- Payroll Report for pay period ending 8/21/09
- AB 09-182 Alcohol Catering Permits
- AB 09-184 Application to hang a Highway Banner – Art on the Lake Community Arts Celebration
- AB 09-181 Landscaping easement from Ventress Family Living Trust for “pocket” park
- AB 09-176 Business Park Planning Charrette - Selection of Firm
- AB 09-186 Assumption of lease for Greystone Village #3, Lot 1, Block 3, from Neighborhood Housing Services to Diane G. Miller
- AB 09-180 CUP-09-04: Valley Academy of Idaho, LLC – 116 N. 3rd Street - Not a public hearing

Some discussion took place to clarify the warrant register.

Council Member Delaney moved to approve the Consent Agenda. Council Member Scott seconded the motion. In a roll call vote, Council Member Delaney, Council Member Scott, Council Member Bailey, and Mayor Kulesza, all voted aye and the motion passed.

BUSINESS AGENDA

AB 09-185 Discussion of current formula retail and restaurant limitation codes – Public Comment welcome

Mayor Kulesza explained to the public that the discussion on the current formula retail and restaurant limitation codes was not a formal public hearing. However, he stated that public comment was welcome and encouraged.

Michelle Groenevelt, Community Development Director, stated that the City had received 29 written public comments to date; 23 of the comments were in favor of keeping the code as it was, and 5 of the comments were in favor of making a change, and one neutral comment was received.

Kit Worthington, owner of Bistro 45, stated that his business had just completed its ninth summer of business in McCall. He stated that it was the toughest year he has with five months of profit loss. To compensate, he had to take out a home equity loan to maintain his business. He stated that he would like to see more research as to what formula retail means and what it would mean to McCall businesses if the code was to change. He would like to see local businesses continue to make it here in McCall and would like to keep McCall a small town. If the code is revisited he would like to part of the process. He was in favor of the existing code for formula retail and restaurants.

Ed Elliott, a 40 year resident of McCall, stated he would like to preserve the small town community. He was not in favor of opening the door to large business. He was in favor of the existing code for formula retail and restaurants.

Don Parker, owner of Print Shop McCall, stated that growth helps businesses grow, but that does not necessarily mean growth in the number of business. He stated that McCall needs growth of people, not necessarily business. He did not feel the critical mass concept to draw people to McCall would work here. He questioned where people were being drawn from and felt that the uniqueness of the retail in McCall is what draws people here. He stated that he did not see any benefit to changing the ordinance; however he has seen a recent huge detriment to the core of the economy in McCall.

Pam Thomas, owner of Common Ground Café, stated she was against an ordinance change unless it was to make it stronger. She would like to see more unique businesses, as unique types of businesses act as ambassadors for the City. She stated that the money of the 350 small businesses here in McCall stays in the community. She questioned the reason for looking at the ordinance. She stated that she does lots of travel and often looks to see if they could move someplace else and she stated there isn't any place else they want to go that could offer what McCall does by supporting local businesses.

Ben Verschoor, McCall resident, stated he was against making any changes to the ordinance. He stated that there are more businesses still competing for a small customer base and formula takes money from the community. He would like to preserve the local feel of the community and stated that investors that have built with the current ordinance knew the rules when they started their development and it should not change.

Bruce Stuart, member of Job 08 asked the question how many people go to Boise to shop. He stated that already the community is losing money to Boise businesses. He stated that there is certain formula retail that is tailored for communities like McCall. He called the current ordinance a protectionist ordinance and felt that it should not be allowed. It was his opinion that if the ordinance stays in place, the City leaders should consider a zone for the ordinance or design review to mandate the kind of businesses that come to McCall. He also stated that he felt that the City has helped businesses to get around the current ordinance and that the ordinance needs revision. It was also his opinion that the current ordinance could result in legal issues and the City should abandon or revise the current ordinance.

Becky Johnstone, a McCall resident and realtor, stated that the City should take a strong look at what is legal. She felt that the current ordinance was a lawsuit waiting to happen. She stated that the City should consult with and involve John Blaye, as he knows what is involved to make a business successful. She felt that some Idaho formula businesses would do well in McCall.

Steve Harkrader, resident of McCall and owner of Hometown Pizza, stated that he liked the character of the town and would like to protect that character. He stated that change is good but it needs to be done slowly and that the Council should take care in making a decision in the current economic time.

Dean Hovdey, 30 year resident of McCall and owner Home Town Sports, stated that what was driving the question was that if you build it they will come. He stated that it does not change the size of the market and business failures could be due to the fact that investors come during peak times thinking it is a place to start a business without considering the sustainability of the business. He also stated that the town could not supply everything that is needed in the community and that corporate money does not stay in the community. It was his opinion that if the ordinance changed, McCall would stand a chance of losing support of local businesses.

Cindy Harkrader, owner of Hometown Pizza, stated that she was in favor of maintaining the current ordinance. She felt that investors should take the time to look at what the City would welcome and what is needed in the town, such as a movie theatre, bowling alley, or other community types of activity. She stated that the investors need to look at something new to the community, not bring more of what is already here.

Tim Cochrane, CEO of the Chamber of Commerce, commented that his experience is in resort towns and stated it is essential to maintain uniqueness. He would like to see a plan that shows where McCall is going as a business community. He also would like to know how the ordinance came to be, and is it doing what it was intended to do. He definitely supports free enterprise and stated that location, product and service is what brings people back to a community. He felt that there was a big disconnect within the business community. He questioned what would keep an investor from not investing in McCall. He stated that it appeared that the ordinance was working. He stated that a community could not be all things to all people, but the community needs to have

a vision. He stated that he would be putting together workshops to assist the community vision. He stated that even if the ordinance did change that many large franchises would not be interested in coming to McCall. He felt that design review was a better way to control the types of businesses coming in. He stated that it was the Chamber's job to promote smart growth and free enterprise, and it was the City's job to support the local businesses.

Lorita Jarvis stated that it was about the life style of the community. She was in support of doing something different instead of more of the same and felt that the ordinances should only be revised if it was in the best interest of the citizens of McCall.

Darrell Cobb, owner of the McCall Spa Company, stated that much of this was a moot point if more people do not come to the town. He stated that there are not enough people here to currently to support what is here. He supports formula retail and supports free enterprise. He felt that the focus should be on what local residents want and need to bring money to McCall and how to bring people here.

Mike Hormaechea, local investor, stated that formula retail would not make or break his project. He stated why limit companies from coming here just because they are formula. He felt that local businesses have an advantage over formula. His opinion was that it would increase the number of people coming to McCall if they have more choices. He also felt that the ordinance misses the point, and that the large formula companies would not be the types of businesses in Alpine Village.

John Hopkins, owner of McCall Drug, stated that if one looks at the tourist and why they come to McCall, one would conclude that they want something different. He stated that if a lot of formula retail came to McCall, it would change the character of McCall. He stated that people come to McCall because it is different and he is in favor of keeping it the way it is.

Kraig Allen, resident and business owner, stated that there has been a lot of time and energy spent on discussing and re-discussing the same issues. He feels that time needs to be spent on how to grow the community. He is all for keeping McCall unique and is willing to forego the ease of a large town to live in a place like McCall.

Jon VanDenburgh, owner of Cool Co, stated that he opened a business here and is struggling, but would formula retail create jobs to help sustain life here. He feels that is the question to ask. He is not the "classic" business owner but he feels fortunate to give it a try in a place like McCall.

Don Parker, owner of Print Shop McCall, stated why is it that everywhere one goes, it appears to be the same. He felt that by removing the ordinance it would create unfair competition. He stated that large formula corporations do not make their money on the streets of the cities they are in; they make it on Wall Street. He felt that formula retail corporations are not competitors, they are predators.

Wendy McPherson, owner of Sunset Video store, stated she was concerned with vending franchises that do not put anyone to work only put businesses out of business. She did not see how that would help citizens in McCall.

Shannon Brinkley, employee of US Bank in McCall, stated that small businesses do not have the buying power that the large corporation has. The large corporations can afford to put in a store that may not make any money because they are so big and have so many other stores that help to carry the non-producing areas. Every dollar a small locally owned business goes to the survival of that business and does not have a bigger counterpart to bail it out.

Dean Strandell, owner of Steamers, stated that he would rather have small businesses come in that do not have the resources that the large corporations have. He felt that it was a non-issue and was in favor of the current ordinance.

Brett Huggins, owner of the McCall Camp Ground, stated that he would like more here. He stated that more capital equals more tourists. He would like to preserve the charm and expand.

Rick Fereday, resident of McCall, stated that the vision for McCall in 20 years and what would it look like, is how the ordinance came about originally. He stated that it could be updated but it works. People should think locally and sustainably. He is in favor of the current ordinance.

Shorty Clarke, Valley County resident, stated that many of the members of the City's committees are the people who own small businesses and are not part of large corporations. Large corporations are not likely to be a part of the community through voluntary service on committees.

Mayor Kulesza wrapped up the discussion and recessed the meeting at 8:00 p.m.

The meeting reconvened at 8:13 p.m.

AB 09-183 Discussion of allowing dogs in certain City Parks

Shorty Clarke, Chairman of the Parks and Recreation Advisory Committee, presented the idea of allowing dogs in certain City parks.

Council Member Delaney asked for the cost of a dispenser and cleanup bags, and how would the City recoup some of the cost. She was overall supportive of the idea.

Council Member Scott would like to see it happen and suggested that the City look at issuing fines for not picking up after the dogs.

Council Member Delaney liked both ideas of leash and voice control. She would like staff to come back with an ordinance and statement from the Police Chief as to how to enforce the issue.

Mayor Kulesza posed that question of liability and would the primary liability remain with the owner.

There was general discussion on licensing of dogs and partnering with MCPAWS. The discussion included the importance of using an educational process and the issue that not all people in the community likes dogs.

Dean Martens suggested that the use of LOT funds would be an ideal way to fund the project.

Mr. Kirkpatrick confirmed that there was general consensus in favor of pursuing allowing dogs in the parks, coupled with how it will be managed.

AB 09-174 Office of Energy Resources- Request for Proposal

Michelle Groenevelt, Community Development Director, stated that the Idaho Office of Energy Resources will commit \$1.5 million of the American Recovery and Reinvestment Act (ARRA) State Energy Programs (SEP) funds for the development of renewable energy enterprise zones. The City of McCall will need to create a Renewable Energy Enterprise Zone (REEZ) within the jurisdiction.

The City is proposing to submit an application by October 30, 2009 in coordination with Idaho Solar Power (a McCall based company) to install solar panels on public and private properties within the REEZ area. Mike Medberry, Idaho Solar Power, was present to further explain the concept. The minimum award for the grant will be \$100,000. The project would be a public-private partnership where businesses would contribute to match funds. Several businesses have already committed to the concept. The solar panels would be located on public City buildings and in locations identified by private businesses and possibly a non-profit organization.

Funding for the project is on a reimbursable basis only. The City of McCall will also seek the support of Idaho Power as part of the application process.

There was general discussion of pros and cons.

Council Member Delaney moved to approve the solar power project concept and allow staff to submit a proposal to the REEZ program at the Office of Energy Resources and Council will consider future adoption of a Renewable Energy Enterprise Zone (REEZ) within the local jurisdiction and authorize the mayor to sign all necessary documents. Council Member Bailey seconded the motion. In a roll call vote, Council Member Delaney, Council Member Bailey, Council Member Scott, and Mayor Kulesza, all voted aye and the motion passed.

AB 09-187 Recycle Partners LOT Agreement Extension Request

Mr. Kirkpatrick stated that there were still unresolved issues regarding the proposed recycle center site that had prevented Recycle Partners from moving forward with construction. Recycle Partners received FY09 LOT funding of \$44,000. They will be unable to complete the recycle center by October 24, 2009 as LOT funding requires.

Council Member Bailey voiced his concern with the access to the property and easement issue.

Council Member Delaney moved to extend the LOT Agreement with Recycle Partners for one year to October 24, 2010 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, and Mayor Kulesza, all voted aye and the motion passed.

COUNCIL DISCUSSION

Council Member Scott stated that the County did not put money in their budget for McPaws.

COMMITTEE MINUTES

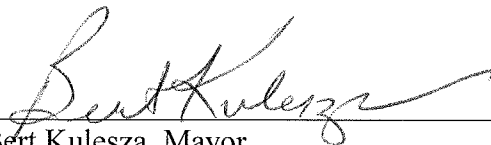
The Council received copies of the following minutes:

- Airport Advisory Committee – May 7, 2009
- Airport Advisory Committee – August 13, 2009
- McCall Public Library Board of Trustees – August 19, 2009
- Historic Preservation Commission - June 16, 2009

ADJOURNMENT

Without further business, Mayor Kulesza adjourned the meeting at 9:15 p.m.




Bert Kulesza, Mayor

ATTEST:


BessieJo Wagner, City Clerk